



BPH Corporate Ltd

BPH Corporate [ASX: BPH] ASX Announcement

11 October 2010

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

Further Investment in Advent Energy Ltd

Transaction Highlights:

- BPH Corporate Ltd (ASX:**BPH**) has entered into a conditional agreement to increase its shareholding in unlisted oil and gas exploration company, Advent Energy Ltd (**Advent**) to up to 27.7% (**Advent Investment**).
- Advent holds a strong portfolio of exploration assets throughout Australia, with its cornerstone project, Petroleum Exploration Permit 11 (**PEP 11**), held by its wholly owned subsidiary, Asset Energy Pty Ltd (**Asset**) in a joint venture with Bounty Oil and Gas NL (**Bounty**) (Asset: 25% / Bounty: 75%).
- As per the Farmin Agreement signed on 27 October 2006, Bounty has granted Asset an option to increase its current 25% interest in PEP 11 to an 85% interest by drilling the first well in this highly prospective permit. Bounty will thereby reduce its interest from 75% to 15%.
- Asset has contracted the *Ocean Patriot* semi-submersible drilling rig to drill the first well in PEP 11. It is currently anticipated that the *Ocean Patriot* will be available to commence drilling at PEP 11 in the fourth quarter of 2010 (subject to completion of its current drilling programme in the Bass Strait with another major operator).
- Asset has commenced the lodgement of appropriate approval documents with relevant NSW and Commonwealth government departments and agencies.
- The New Seaclem-1 well will target the Great White and Marlin prospects, with a combined prospective gas resource estimate of 4.1 Tcf (gas in place, P50 level).
- Advent and Asset have a very experienced leadership and technical team to drive the exploration of PEP 11.
- The Advent Investment will involve a change in the nature and scale of BPH's current activities and accordingly, BPH will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules if the proposal is approved by shareholders.



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Overview

Advent Investment, Consolidation of Capital and Capital Raising

BPH Corporate Ltd [ASX: BPH] (**Company** or **BPH**) is pleased to announce that it has entered into a conditional agreement to subscribe for up to 12 million ordinary, fully paid shares in unlisted oil and gas exploration company, Advent Energy Ltd (**Advent**), thereby increasing its investment in Advent to up to 27.7% (**Advent Investment**). The issue price under the Advent Investment will be determined by the Advent bookbuild currently being conducted by Pareto Securities AS (**Bookbuild**), but in any event not less than the lowest price under the Bookbuild.

PEP 11

Advent's cornerstone project, Petroleum Exploration Permit 11 (**PEP 11**), held by its wholly owned subsidiary, Asset Energy Pty Ltd (**Asset**) in a joint venture with Bounty Oil and Gas NL (**Bounty**) (Asset 25% / Bounty 75%).

As per the Farmin Agreement signed on 27 October 2006, Bounty has granted Asset an option to increase its current 25% interest in PEP 11 to an 85% interest by drilling the first well in this highly prospective permit. Bounty will thereby reduce its interest from 75% to 15%. Asset has contracted the *Ocean Patriot* semi-submersible drilling rig to drill the first well in PEP 11. The *Ocean Patriot* is due to drill two wells in Bass Strait, offshore Victoria for another major operator prior to commencing work for Asset at PEP 11. The exact timing of that two well program is to be determined and it is currently anticipated that the rig will be available to commence drilling at PEP 11 in the fourth quarter of 2010.

The offshore Sydney Basin is a petroleum basin situated along the heavily populated and industrialised central coast of New South Wales. No drilling has taken place in the Offshore Sydney Basin, despite a number of wells drilled in the adjacent Onshore Sydney Basin which have flowed gas or encountered oil shows.

Change in Nature and Scale – Chapter 11 of the ASX Listing Rules

The Advent Investment will involve a change in the nature and scale of BPH's current activities under Chapter 11 of the ASX Listing Rules from a biotechnology company to an alternative investment company (with a focus on investment in the resources sector). It is not proposed that BPH will become an "investment entity" for the purposes of the ASX Listing Rules. While BPH will make some passive investments or increase its existing passive investments (such as its investment in Advent), it also intends, where appropriate, to retain management control and board representation in relation to its existing investments.

BPH will therefore be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance**) if the Advent Investment is approved by shareholders. BPH shareholders will receive a notice of meeting in due course outlining the resolutions that will be sought at the general meeting to consider the Advent Investment.

In connection with the Advent Investment and Re-compliance BPH intends, subject to shareholder approval:

- ❖ to undertake a consolidation of its capital (**Consolidation**): and
- ❖ to raise \$10 million before costs by issuing ordinary, fully paid BPH shares under a prospectus at an issue price of \$0.20 per BPH share, with oversubscriptions of up to a further \$10 million (**Capital Raising**). This new working capital, in addition to BPH's existing cash balance of \$4.3 million, will be used to assist Advent in drilling the first well of PEP 11 and for general working capital purposes.

Additional funding may be required for any testing programs from the drilling of the exploration well and future appraisal of PEP 11.

Advent's Oil and Gas Assets

PEP 11 - Offshore Sydney Basin

Advent's cornerstone project, PEP 11, is located in the Offshore Sydney Basin. It is 200km long, with an area of 8,250 km².

The Offshore Sydney Basin is a petroleum basin situated along the heavily populated and industrialised central coast of New South Wales. No drilling has taken place in the Offshore Sydney Basin, despite a number of wells drilled in the adjacent Onshore Sydney Basin which have flowed gas or encountered oil shows.



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The Offshore Sydney Basin is a significant exploration area with large scale structuring adjacent to the coastline from Wollongong to Newcastle (offshore NSW).

Following reviews by Tanvinh Resources Pty Limited of recently reprocessed seismic data (as announced on [5 July 2010]), estimates of the prospective recoverable resources comprised in PEP 11 prospects and leads have recently increased to 13.2 Tcf (P50 or "best estimate" level) of natural gas. Furthermore, analysis of site survey data over the Great White and Marlin prospects concluded that the geological sequence associated with these prospects is "likely" to contain zone(s) of gas.

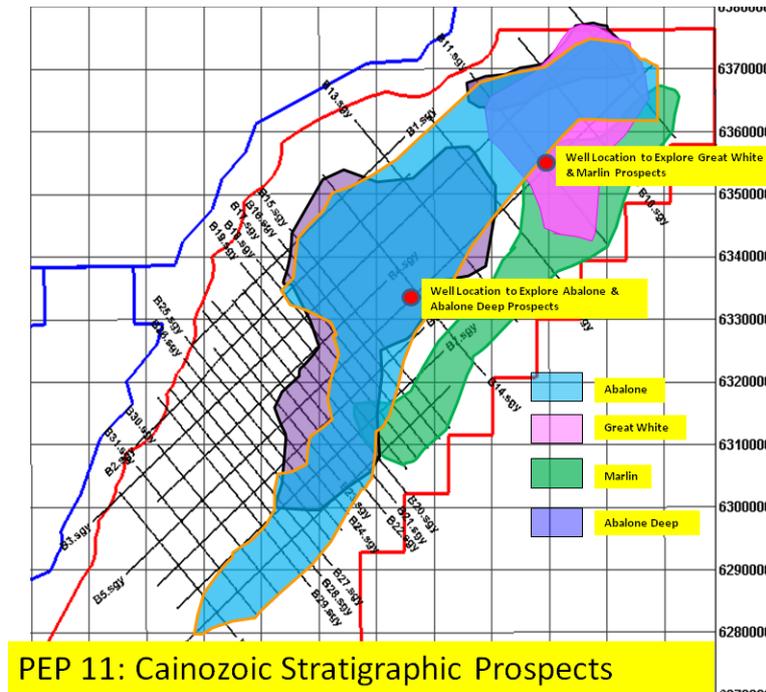
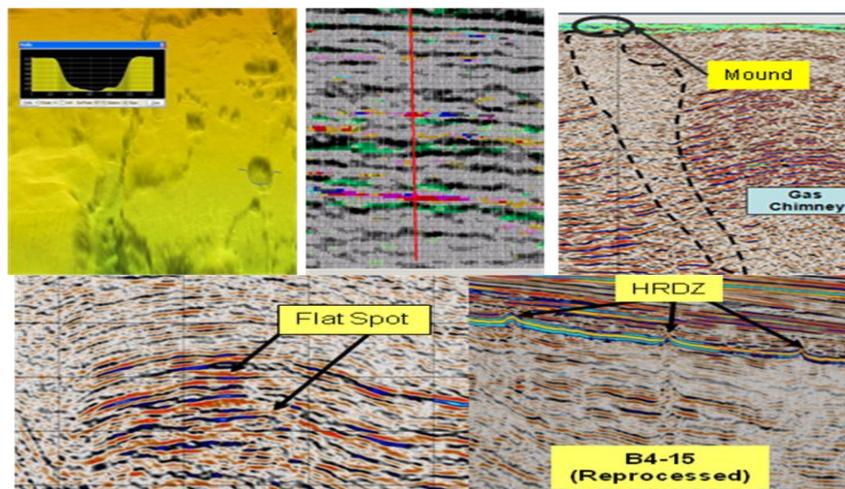


Figure 1 Schematic of offshore prospects and leads of PEP 11

The prospectivity of this petroleum basin has been further enhanced by the confirmation of the presence of apparent ongoing hydrocarbon seeps. Sub-bottom profile data, swath bathymetry, seismic and echosounder data collected by Geoscience Australia along the continental slope / permit margin has demonstrated active erosional features in conjunction with geophysical indications of gas escape.

Furthermore, in reviews of its exploration data for the PEP 11 project, Advent has interpreted significant new seismically indicated gas features.

Evaluation of the reprocessed seismic data for Direct Hydrocarbon Indicators (DHI) has revealed evidence of Flat Spots, Hydrocarbon Related Diagenetic Zones, and anomalous Amplitude Versus Offset features. These potential DHI have been observed coincident with key targets and increase the confidence for the first exploration well.





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Figure 2: Features observed across the permit

Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from Australia's largest energy market, the Sydney-Wollongong-Newcastle greater metropolitan area. This area has a population of approximately 5 million people. Traditionally, all natural gas used in New South Wales has been piped in from South Australia and the Bass Strait. However, studies by the Australian Bureau of Agricultural and Resource Economics and the

Australian Petroleum Production and Exploration Association state that those sources may not be able to meet the demand for gas in the medium to longer term.

Although there have been over a thousand wells drilled in offshore Australia, no exploration drilling has ever taken place in the Offshore Sydney Basin.

Advent has contracted the *Ocean Patriot* semi-submersible drilling rig to drill the first well in PEP 11. It is currently anticipated that the rig will be available in the fourth quarter of 2010.



Figure 3: *Ocean Patriot* semi submersible drilling rig

Advent has commenced the lodgement of appropriate approval documents with relevant NSW and Commonwealth government departments and agencies.

The New Seaclem-1 well will target the Great White and Marlin prospects, with a combined prospective gas resource estimate of 4.1 Tcf (gas in place, P50 level).

Exmouth Sub-Basin Region of the Carnarvon Basin

Advent holds an 8.3% interest (Permit Operator: Strike Energy Ltd) in a shallow, near shore permit in the Exmouth sub-Basin region of the Carnarvon Basin, which contains the undeveloped Rivoli Gas Field discovery.

As announced by Strike Energy on 17 April 2008, the Rivoli Joint Venture is considering a proposal to develop the Rivoli Gas Field to supply gas to nearby infrastructure at Exmouth, Western Australia.



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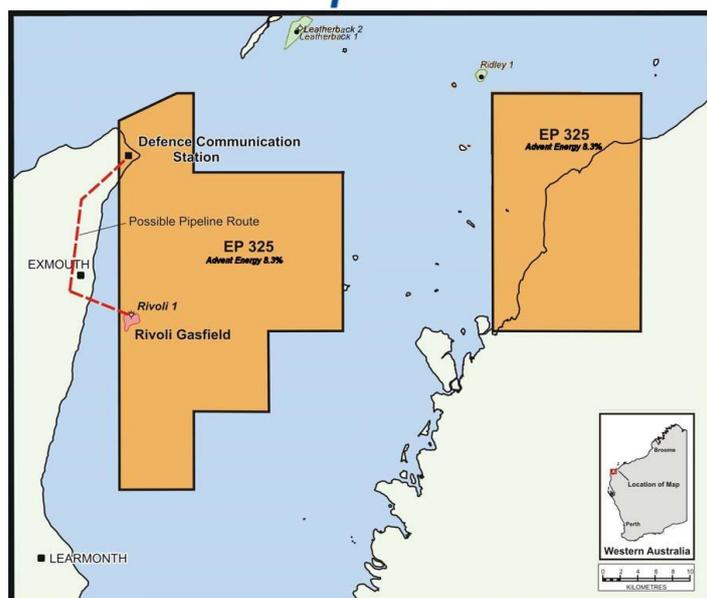


Figure 4: Schematic location map of EP 325

Onshore Bonaparte Basin

Advent holds EP 386 and RL 1 in the onshore Bonaparte Basin in Northern Australia. The Bonaparte Basin is a hydrocarbon-bearing sedimentary basin straddling the border between the Northern Territory (NT) and Western Australia (WA). Most of the basin is located offshore, covering 250,000 km², compared to just over 20,000 km² onshore.

Advent holds 100% of Exploration Permit EP 386 (4,760 km² in area) which covers the entire Western Australian section of the onshore Bonaparte Basin. Since 1960 twelve wells have been drilled in or near EP 386 and only sixteen in the whole of the onshore basin. Although no commercial fields have yet been discovered, six exploration wells are classified as gas discoveries. The tenements contain five sub-commercial gas fields. The main exploration target has been sandstone within a late Devonian-early Carboniferous sequence. This thick marine shale dominated sequence is interpreted to be the main source rock sequence for the greater Bonaparte Basin, including the offshore portion where gas resources have been identified.

Three modest gas discoveries have been made along the western edge of the onshore Bonaparte basin, in an area characterised by a structural-stratigraphic trapping and active migration known as the Waggon Creek Embayment. In EP 386 the three main discoveries made so far, Vienta, Waggon Creek and Bonaparte, contain possible recoverable gas resources of 8 Bcf, 12 Bcf and 4 Bcf, respectively.

In the NT, Advent holds 100% of Retention Lease RL-1 (166 km² in area), which covers the Weaber Gas Field and two related prospects, Weaber North and Weaber Southwest. The Weaber Gas Field was discovered in 1985 but has not been brought into production. Geoscience Australia has estimated that the Weaber field contains 4.3 million barrels of oil equivalent.

Advent is highly encouraged by independent consultants Tanvinh Resources' review of well completion reports and drill stem testing data from the EP386 and RL1 wells that suggests that stratigraphic traps are present associated with the existing discoveries.

As a result of this review, Advent has initiated a multi-phased study to address methods of minimising formation damage and significantly improve gas flow rates. Advent is highly encouraged by this new review that enhances the near-term development potential of this excellent hydrocarbon asset.

EP386 is currently the subject of a renewal application with the Western Australian Department of Mines and Petroleum.



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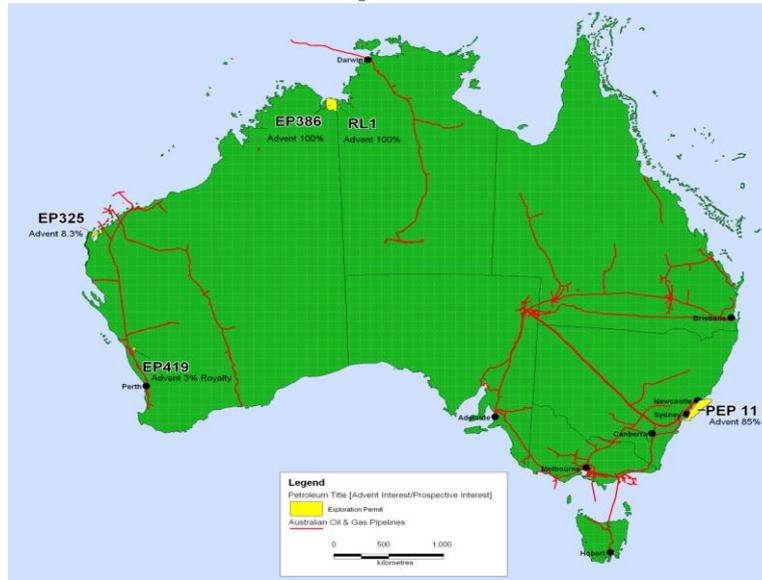


Figure 5: Location of EP386 and RL 1

Central Petroleum

Advent holds approximately 1% of ASX-listed Australian onshore hydrocarbon explorer, Central Petroleum Ltd (**Central Petroleum**) (ASX: CTP).

Central Petroleum is actively exploring in its exploration tenements that cover approximately 250,000km² of central Australia.

BPH Corporate's Existing Assets

BPH's existing biotechnology investments include its:

- ❖ 3.89% interest in Cortical Dynamics Ltd;
- ❖ 20% interest in Molecular Discovery Systems Ltd;
- ❖ 51.82% interest in Diagnostic Array Systems Pty Ltd; and
- ❖ its interest in the SERS project.

Cortical Dynamics

Cortical Dynamics is working with BPH Corporate and Swinburne University of Technology to develop and commercialise a unique depth of anaesthesia monitoring system for use during major surgery.

The core technology is based on real time analysis of the patient's electroencephalograph using a proprietary algorithm based on a mathematically and physiologically detailed understanding of the brain's rhythmic electrical activity.

The Cortical Dynamics team, lead by Professor David Liley, has recently finished analysing a comprehensive data set from Europe using the Brain Anaesthesia Response (**BAR**) methodology and have completed the results for publication. The team has also successfully completed an NHMRC grant, which has significantly improved the ability of the BAR monitor to detect a wide range of anaesthetic drug effects. This concludes the most important component of the system development and integration of the BAR monitor. Current calibration trials are underway.



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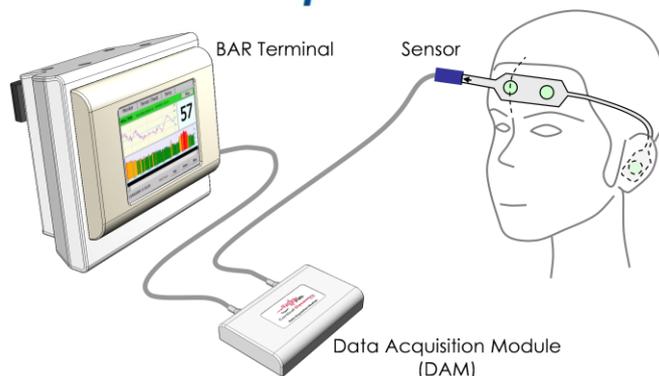


Figure 6: Cortical Dynamics BAR Monitor

Molecular Discovery Systems (MDS)

This new class of anti-mitotic drugs, discovered by MDS' cancer cell biology researcher, Dr Robin Scaife, has undergone extensive development toward pre-clinical testing of anti-cancer activity. Detailed analyses of chemical analogues of the new drug have yielded a new drug that exhibits nearly 1,000 times the biological activity of the initial compound derived by the aforementioned screening process.

The new drug has also recently undergone testing in animals to rule out adverse toxic side effects and is, therefore, primed for pre-clinical testing of anti-tumour activity.

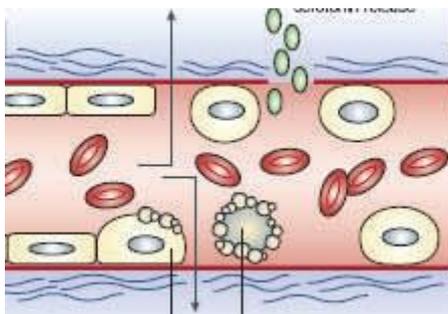


Figure 7: Microtubule drugs directly block cell proliferation, thereby causing cancer cell death

Diagnostic Array Systems (DAS)

DAS is working with BPH Corporate and RMIT University to develop and commercialise BacTrak™, a diagnostic tool that will enable pathology laboratories and the emergency departments of hospitals to provide patients with fast and accurate identification of disease causing bacteria from a single sputum sample. The test has important implications for the clinical management of infectious diseases by identifying the specific bacteria responsible for a disease and suggesting the most effective therapy. Utilisation of the novel test is intended to provide more information, more quickly, than alternative methods. It has the potential to accelerate therapeutic treatment, lead to a reduction in hospitalisations and help reduce the overuse of antibiotics.

BPH will continue to hold its biotechnology interests and to work with its investee companies to develop and commercialise these technologies.

Conditions of the Advent Investment

The Advent Investment is conditional on:

- ❖ the Company obtaining all necessary regulatory and shareholder approvals required to complete the Advent Investment, including without limitation, shareholder approval to:
 - change the nature and/or scale of BPH's activities in accordance with ASX Listing Rule 11.1.2;
 - undertake a consolidation of BPH's existing capital; and



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- proceed with a general offer to the public under the Prospectus to issue BPH shares at a price of \$0.20 each (on a post Consolidation basis).
- ❖ the Company complying with any requirements of ASX, including the requirements of Chapters 1 and 2 of the ASX Listing Rules and issuing a prospectus, as if the Company were applying for admission to the official list of ASX (as required by ASX Listing Rule 11.1.3).

Pro Forma Cash Position and Statement of Financial Position

Pro Forma Cash Position at 31 August 2010

	AUD (m)	AUD (m) Assuming Capital Raising Oversubscribed
BPH current cash balance	\$4.3	\$4.3
Capital Raising	\$10.0*	\$20.0
Advent Investment	(\$10.0)	(\$10.0)
Available working capital	\$4.3	\$14.3

*Assumes the Capital Raising is fully subscribed to raise \$10 million.

Pro Forma Statement of Financial Position at 31 August 2010

A draft pro forma statement of financial position for BPH incorporating the effect of the Advent Investment is set out below:

	\$000
Current assets	
Cash and cash equivalents	3,064,916
Trade and other receivables	56,600
Financial assets	893,430
Other current assets	42,204
Total current assets	4,057,150
Non Current assets	
Intangibles	72,454
Financial assets	24,417,739
PPE	1,870
Total Non Current assets	24,492,063
Total Assets	
Current liabilities	
Trade and other payables	665,199
Provisions	15,766
Financial liabilities	254,106
Total current liabilities	935,071
Total Liabilities	935,017
Net Assets	27,614,142
Equity	
Capital contributed equity	35,028,580
Accumulated losses	(7,425,163)
Non-controlling interests	10,725
Total Equity	27,614,142



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Pro Forma Capital Structure

The Company's pro forma capital structure on a pre-Consolidation basis is as follows (assuming: completion of the Capital Raising; no further shares are issued; no and options are exercised or cancelled):

Shares	Shares
Ordinary shares currently on issue	294,667,311
Capital Raising	50,000,000
Total Shares	344,667,311

Options	Exercise Price *	Expiry Date	Options **
Director options	\$0.147	31 Dec 2010	6,000,000
Director options	\$0.447	31 Dec 2014	3,000,000
Management options	*	17 Oct 2011	500,000
Management options	*	29 Apr 2013	500,000
Management options	\$0.147	1 Jun 2013	2,550,000
Management options	\$0.147	16 Dec 2013	1,000,000
Management options	\$0.297	30 Sep 2013	150,000
Total Options			13,700,000

* The exercise price of these management options will be the average amount determined by the market price for the 5 days prior to exercise.

** In accordance with Listing Rule 7.22.1, the number of options will be consolidated in the same ratio as the company's ordinary capital and the exercise price will be amended in the inverse proportion to that ratio.

Indicative Timetable

Event	Date
Dispatch of Notice of Meeting seeking approval of Advent Investment and Re-compliance	15 October 2010
Lodgement of Re-compliance prospectus with ASIC	8 November 2010
Suspension of BPH's securities from trading on ASX at the opening of trading	19 November 2010
General meeting to approve Advent Investment and change in nature and scale of activities	19 November 2010
Opening of Capital Raising offers under the Prospectus	19 November 2010
Closing of Capital Raising offers under the Prospectus	24 November 2010
Anticipated date for readmission to the Official List and commencement of trading	8 December 2010

The timetable is subject to change and the directors reserve the right to amend the timetable at any time. The directors of BPH will use their best endeavours to cooperate with all parties to ensure the Advent Investment and Re-compliance is completed as expeditiously as possible.

The directors of BPH unanimously recommend the Advent Investment. It is the directors' view that the Advent Investment will provide BPH shareholders with the opportunity to participate in a potentially significant exploration and development programme in respect of oil and gas projects.

Competent Person

The technical information provided in this announcement has been compiled by Mr Dang Lan Nyugen, a qualified geologist with over 20 years' experience. Mr Nyugen is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia. Mr Nyugen has reviewed the results, procedures and data contained in this announcement. Mr Nyugen consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.