



2nd October 2009

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

Dear Shareholder,

MOLECULAR DISCOVERY SYSTEMS SPIN OFF AND IPO

As previously announced BioPharmica intends to seek an IPO for Molecular Discovery Systems (MDS) on the Australian Securities Exchange.

Under a planned 'spin off' process, BioPharmica (ASX Code: BPH) shareholders would receive a share at **no cost** in Molecular Discovery Systems for every listed BioPharmica share that they hold five days after the date of shareholder approval being obtained for the spin off (record date). Shareholder approval will be sought at the 2009 Annual General Meeting which is anticipated to be held on 12th November 2009. **Shareholders must hold their shares at the record date to be entitled to their free shares in MDS.** The anticipated timetable for the spin off has been provided below.

The spin off and listing is subject to approval from shareholders and regulatory bodies.

Anticipated Timetable

Event	Anticipated Date
Annual General Meeting	12 th November 2009
Shareholder Approval Received	12 th November 2009
Record Date for Spin Off Shares	5.00pm 19 th November 2009

The directors of BPH would once again like to thank its shareholders for their continued support after the recently closed Shareholder Share Purchase Plan. The plan was a great success raising \$2,730,000 which was equal to a 93% take up of the plan.

Yours Sincerely

David Breeze
Managing Director