3 November, 2017

George Tharian
ASX Compliance Pty Limited
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear George,

I refer to your letter to dated 31 October, 2017 in relation to the Appendix 4C for the period ended 30 September, 2017 that was released by the Company on 27 October, 2017.

As noted in the announcement that accompanied the Appendix 4C, the Company is an operating business that generates cash inflows each quarter, including receipts from customers generated from sales. As per reporting requirements of Section 9 in the Appendic 4C, the summary of anticipated cash outflows including costs of generating forecasted sales for the next quarter ending 31 December 2017, does not reflect any anticipated cash inflows including receipts from customers or from the research and development expenditure tax incentive (expected to be in the range of $1.1M - $1.2M).

Sales receipts from customers for the quarter ended 30 September 2017 was $2,058K. the Company anticipates that the operational net cash outflow for the December quarter will be significantly reduced due to operational receipts together with the now received $1.15m refund from the ATO representing the approved R&D refund.

In addition,

- The Company currently has capacity to issue $1.15m of Convertible Notes from the shareholder approval received at the General Meeting on September 29, 2017
- The Company has also announced a strategic review of its German Operations with a view to reducing debt and improving liquidity.
- The Company has financing facilities in place as noted in the 4C.

Responding to your specific questions and taking into account the information referred to above:

1 The Company expects to continue to have net negative operating cash flows (albeit improving) for the rest of FY 2017 (Oct–Dec), turning positive in FY 2018 .
2 As noted in the announcement that accompanied the Appendix 4C, the Company was expecting and has now received its 2016 FY ATO refund of $1.15m which has been utilised to improve cash flow and reduce debt. In addition, the Company currently has capacity to issue $1.15m of Convertible Notes from the shareholder approval received at the General Meeting on September 29, 2017. The Company will continue to evaluate its cash flow needs.

The Company believes that these initiatives will be successful in generating further cash to fund its ongoing operations.

3 The Company expects to be able to continue its operations and is continuing to pursue and meet its business objectives as evidenced by recent announcements on contract wins; and the growth of our products, now offered in the SE Asia markets. Condat has also grown its revenue opportunities as announced to the ASX on October 16, 2017 and we expect it to deliver $7.6m in revenue in FY 2017, with an EBITDA of approximately $1.1m. We also expect further substantial revenue growth for the Skyware product in 2018.
4 Confirmed. The Company is not aware of any information required to be released to the market.
5 I confirm that the above responses to the questions have been authorised and approved in accordance with Invigor's published disclosure policy and have been authorised by the Chief Financial Officer and the Chief Executive Officer

The Company believes it is in compliance with Listing Rule 12.2 as it is of the view that it has access to sufficient sources of funds to meet short term operating commitments.

Please contact me if you require any additional information.

Yours sincerely,

Leanne Ralph
Company Secretary

31 October 2017

Ms Leanne Ralph
Company Secretary
Invigor Group Limited
Level 16
56 Pitt Street
Sydney NSW 2000

By email

Dear Ms Ralph

Invigor Group Limited ("Invigor"): Appendix 4C Query

I refer to Invigor's Appendix 4C quarterly report for the period ended 30 September 2017 lodged with ASX Market Announcements Platform and released on 27 October 2017 (the "Appendix 4C").

ASX notes that Invigor has reported:

- negative net operating cash flows for the quarter of $2,348,000;
- cash at the end of the quarter of $17,000; and
- estimated cash outflows for the next quarter of $3,500,000.

It is possible to conclude, based on the information in the Appendix 4C, that if Invigor were to continue to expend cash at the rate indicated by the Appendix 4C, Invigor may not have sufficient cash to continue funding its operations. In view of that, ASX asks Invigor to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does Invigor expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has Invigor taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does Invigor expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that Invigor is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that Invigor's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of Invigor with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that Invigor considers may be relevant to ASX forming an opinion on whether Invigor is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEDT on 3 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in Invigor's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, Invigor's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by email. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to Invigor's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that Invigor's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in Invigor's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

George Tharian
Adviser, Listings Compliance (Sydney)