

15 November 2018

Ms Violetta Codreanu
ASX Compliance Pty Limited
22 Bridge Street
Sydney NSW 2000

(By email: violetta.codreanu@asx.com.au)

RESPONSE TO APPENDIX 4C QUERY

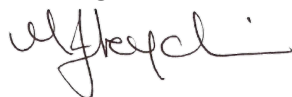
In reference to your letter dated 12 November 2018 in relation to Medibio Limited (ASX: MEB, 'The Company') regarding its September 2018 Appendix 4C the response to your queries in number order are as follows:

1. The Company does expect that it will continue negative operating cash flows whilst the company is in the development and commercialisation phase of its technology. Additionally, as noted within the Appendix 4C the company is currently implementing a number of cost reduction strategies which will have a material impact on the Company's monthly cash outflows.
2. Yes. The company received \$3.1 million dollars on October 15, 2018 from the Australia Taxation Office under the Research and Development Tax Incentive Program, this was announced on the same day. The Company currently also has the option to raise further capital and retains sufficient placement capacity under Listing Rule 7.1 and 7.1A to place these shares if and when required.
3. The Company believes that it can continue its current operations and meet its business objectives through the means listed in items 1 and 2 noted above.
4. The Company is complying with Listing Rule 3.1. There is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
5. The Company confirms that the responses requested by the ASX and provided above, have been made by an officer of the Company with delegated authority from the Board to respond to the ASX on disclosure matters.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely,

MEDIBIO LIMITED



Melanie Leydin
Company Secretary



12 November 2018

Ms Melanie Leydin

Company Secretary
Medibio Limited
Level 4
100 Albert Road
South Melbourne VIC 3205

By email: mleydin@leydinfreyer.com.au

Dear Ms Leydin

Medibio Limited ("MEB"): Appendix 4C Query

We refer to MEB's Appendix 4C quarterly report for the period ended 30 September 2018 lodged with the ASX Market Announcements Platform and released on 30 October 2018 (the "Appendix 4C").

ASX notes that MEB has reported:

- negative net operating cash flows for the quarter of \$4,611,000;
- cash at the end of the quarter of \$1,542,000; and
- estimated cash outflows for the next quarter of \$3,200,000.

It is possible to conclude, based on the information in the Appendix 4C, that if MEB were to continue to expend cash at the rate indicated by the Appendix 4C, MEB may not have sufficient cash to continue funding its operations. In view of that, ASX asks MEB 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 MEB expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MEB 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 MEB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that MEB 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 MEB'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 MEB with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that MEB considers may be relevant to ASX forming an opinion on whether MEB 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).

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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 Thursday, 15 November 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MEB'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, MEB'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 e-mail. 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 MEB'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 MEB'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 MEB's securities under Listing Rule 17.1.


If you wish to request 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 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.



Kind regards

[Sent electronically without signature]

Violetta Codreanu

Senior Adviser, Listings Compliance (Sydney)