

Listings Compliance (Melbourne)
Australian Securities Exchange
Melbourne VIC 3000



Attention: Cheng Tang

By email: ListingsComplianceMelbourne@asx.com.au

20 March 2019

Dear Sir/ Madam

eSense-Lab Limited ('ESE'): Appendix 3Y – Change of Director's Interest Notice Query

We refer to your letter to ESE dated 20 March 2019 in relation to the Appendix 3Y lodged by ESE on 20 March 2019 for Mr Benjamin Karasik (the 'Notice').

In relation to the late lodgement of the Notice, we advise the following:

1. The Notice relates to a change in Mr Karasik's direct interests in ESE securities following the expiry of various Performance Rights. The Notice confirms that 4,296,915 Class D Performance Rights and 2,896,497 Class E Performance Rights previously held by Mr Karasik expired and lapsed on 14 February 2019. This information was disclosed fully and in detail in the Company's Appendix 3B lodged on 14 February 2019.
2. The Notice has been lodged late due to an administrative oversight at the time the Performance Rights expired and lapsed. Once the oversight was identified by the Company, the Appendix 3Y was promptly lodged.
3. The Company is satisfied that it has the necessary reporting and notification policies in place to ensure compliance with its disclose obligations under ASX Listing Rules 3.19A and 3.19B. ESE Directors are aware of their obligations to notify the Company Secretary of any changes in securities holdings, and this is monitored as a standard agenda item at every Board meeting. The Company believes its current practices are adequate and that the late lodgement of the Notice in this instance was an unfortunate irregularity and an isolated incident.

Your sincerely

Ian Pamensky
Company Secretary

About eSense-Lab | Registered Office: Level 14, 330 Collins Street, Melbourne, Victoria, Australia, 3000

eSense-Lab Ltd (ASX:ESE) is a life sciences research and development company creating natural plant-based products that heal and delight. Headquartered in Israel, eSense-Lab combines genetics, mRNA, protein expression and phytochemical profiles to generate a comprehensive model of rare or high value plants.

With multi-disciplinary R&D expertise, unique reverse engineering capabilities and game-changing techniques that enable re-engineering the chemical composition found in plants, e-Sense Lab re-formulates these for numerous commercial applications.

Cannabis is the first plant eSense is targeting for re-engineering. eSense is creating a cannabis plant that has all the characteristics of the real thing, but does not contain the psychoactive and more heavily regulated cannabinoid compound.

To learn more about eSense-Lab, please visit www.esense-lab.com



20 March 2019

Mr Ian Pamensky
Company Secretary
eSense-Lab Limited

By email: ian@cfo2grow.com.au

Dear Mr Pamensky

eSense-Lab Limited ('ESE'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. ESE's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 20 March 2019 for Mr Benjamin Karasik (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *"The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director."*
3. Listing rule 3.19B which states that:

"An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director."

The Notice indicates that a change in Mr Karasik's notifiable interest occurred on 14 February 2019. It appears that the Notice should have been lodged with ASX by 21 February 2019. Consequently, ESE may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Karasik may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds ESE of its contract with ASX to comply with the Listing Rules. In the circumstances, ESE should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does ESE have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does ESE intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 9:30 am AEDT) on 25 March 2019.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

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

Yours sincerely

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)