



28 November 2014

Mr Ben Tippet
Adviser, Listings Compliance (Perth)
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: Ben.Tippet@asx.com.au

Dear Mr Tippet

RE: BPH Energy Ltd Appendix 4C Query

I refer to your letter dated 27 November 2014 regarding the Company's Appendix 4C for the period ended 30 September 2014 and respond to your questions as follows:

- 1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter (and at the rate anticipated for the next quarter) indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?**

No. The Company has taken a number of actions to significantly reduce its expenditures for the next quarter. These actions include a significant reduction in employee and administration costs.

The Company has also assisted its investee company, Cortical Dynamics Limited, in securing a debt facility guaranteed by Cortical's 2015 research and development rebate. By securing this facility, Cortical is expected to be self-sufficient and is not expected to require further funding from BPH.

In addition to the above, the Company has investigated different fundraising options and has now procured an unsecured convertible debt facility of up to 200k. This facility has not been drawn down at the date of this letter.

The Company believes that as a direct result of the abovementioned changes it will have sufficient cash to fund its activities for the next quarter.

- 2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?**

As a result of the actions taken by the Company (described above) it does not currently anticipate negative operating cash flow at the same levels as that shown in the reported Appendix 4C for the quarter ended 30 September 2014.

BPH Energy Ltd ACN 095 912 002

PO Box 317, North Perth, Western Australia 6906

14 View Street, North Perth, Western Australia 6006

admin@biopharmica.com.au www.biopharmica.com.au

T: +61 8 9328 8366 F: +61 8 9328 8733

- 3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?**

The Company's actual cashflows on a year to date basis are as anticipated.

- 4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.**

Not applicable. As indicated above, the Company's actual cashflows on a year to date basis are as anticipated.

- 5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?**

The Company has taken a number of actions to significantly reduce its expenditures for the next quarter. These actions include a significant reduction in employee and administration costs.

The Company has also assisted its investee company, Cortical Dynamics Limited, in securing a debt facility guaranteed by Cortical's 2015 research and development rebate. By securing this facility Cortical will be self-sufficient and will not require further funding from BPH.

In addition to the above the Company has investigated different fundraising options and has now secured a convertible debt facility of up to 200k. This facility has not been drawn down at the date of this letter.

The Company believes that by minimising overhead costs and obtaining convertible funding, it will be better placed to meet its stated business objectives for the next quarter.

- 6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?**

The Company confirms that it is in compliance with the listing rules, and in particular Listing Rule 3.1.

- 7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.**

The Company confirms that it is in compliance with Listing Rule 12.2. The Company believes it has sufficient assets and access to funds to cover its liabilities and meet its ongoing commitments.

Yours sincerely



Deborah Ambrosini
Executive Director

ASX Compliance Pty Limited
ABN 26 087 780 489
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
www.asx.com.au

27 November 2014

Deborah Ambrosini
Company Secretary
BPH Energy Ltd
14 View Street
North Perth WA 6006

By email: deborah@grandbridge.com.au

Dear Deborah

BPH Energy Ltd (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2014, released to ASX Limited ("ASX") on 21 October 2014 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of nil.
2. Net negative operating cash flows for the quarter of \$139,000.
3. Cash at end of quarter of \$70,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter (and at the rate anticipated for the next quarter) indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to **Ben.Tippett@asx.com.au**. It should not be sent to the ASX Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00 pm WST on Tuesday 2 December 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Ben Tippett
Adviser, Listings Compliance (Perth)