



10 February 2016

Ms Lux Wigneswaran
Principal Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By email

Dear Ms Wigneswaran

World.Net Services Limited (the “Company”): Response to ASX Appendix 4C Query

In reference to your letter dated 8 February 2016, regarding the Company’s ASX Appendix 4C for the quarter ended 31 December 2015, the Company responds to your queries as follows:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The Company does not expect that it will continue to have significant negative operating cash flows going forward, and is in the process of reorganising its operations, and negotiating with its customers, to position the business so that its net operating cash flows are consistently positive.

A significant proportion of “payments for other working capital”, during the quarter ended 31 December 2015, comprised non-recurring expenditure and lump payments, most of which were in the form of professional fees.

2. Has the Company 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?

The Company has taken steps to explore options to revitalise its operations, all of which involve raising further cash to fund its future operations. This includes the proposed transaction with PYO Travel (MY) Sdn Bhd, as announced on 13 May 2015, which is still being negotiated, and under consideration. The Company is confident that it will be successful in raising further cash, however, the success of the Company’s efforts are dependent on many factors.

Importantly, the Company’s major shareholders have committed to continue meeting any future cash shortfalls, by way of interest free loans, if and when required.

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3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? In answering this question, please comment on the Company's compliance with Listing Rule 12.1.

The Company expects to be able to continue its operations and to meet its business objectives, particularly in light of the options that the Company is currently exploring, which could result in a highly significant uplift in the scale of the Company's operations.

In addition, the Company is currently in negotiations with its customers, which if successful, will result in a material increase in revenues.

Given the above, the Company is of the opinion that it is in compliance with Listing Rule 12.1.

4. Can the Company confirm that it 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?

The Company confirms that it is in compliance with Listing Rule 3.1, and there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not been released to the market.

5. Please provide an update in relation to the indicative, non-binding and conditional offer submitted to PYO Travel (MY) Sdn Bhd, as announced on 13 May 2015.

The indicative, non-binding, and conditional offer submitted to PYO Travel (MY) Sdn Bhd, as announced on 13 May 2015, is still in place. The parties are still negotiating the terms of the proposed transaction, and considering issues which may impact whether or not a transaction will materialise, and if so, the proposed timetable.

The Company will provide status updates to the market in relation to the proposed transaction, if and when required, in complying with its continuous disclosure obligations.

Yours sincerely

Christopher Yong
Director / Company Secretary

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8 February 2016

Mr Christopher Yong
Company Secretary
World.Net Services Limited
Suite 211A
Level 2, 111 Harrington Street
The Rocks NSW 2000

By Email

Dear Mr Yong,

World.Net Services Limited (the “Company”): ASX Appendix 4C Query

I refer to the Company’s quarterly report in the form of Appendix 4C for the period ended 31 December 2015 lodged with ASX Market Announcements and released on 1 February 2016 (the “Appendix 4C”).

ASX notes that the Company has reported:

- receipts from customers of \$113,000;
- negative net operating cash flows for the quarter of \$112,000; and
- cash at the end of the quarter of \$1,000.

It is possible to conclude on the basis of the information provided in the Appendix 4C that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of this, please respond to each of the following.

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company 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 the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? In answering this question, please comment on the Company's compliance with Listing Rule 12.1.
4. Can the Company confirm that it 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 provide an update in relation to the indicative, non-binding and conditional offer submitted to PYO Travel (MY) Sdn Bhd, as announced on 13 May 2015.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2.

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 9.00am Australian Eastern Daylight Time on Thursday, 11 February 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company'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, the Company'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.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.



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

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 the Company'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]

Lux Wigneswaran

Principal Adviser, Listings Compliance (Sydney)