



19 October 2009

Ms Jill Hewitt
Adviser, Issuers (Perth)
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Ms Hewitt

INCITIVE LIMITED – APPENDIX 4C QUERY

I refer to your facsimile dated 16 October 2009 in regard to the Appendix 4C for the period ended 30 September 2009 lodged by the Company on 15 October 2009.

The Company responds 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 indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

The Company;

- incurred abnormal expenses in undertaking its negotiation and due diligence investigations of V-Patch Medical Systems. As noted in the ASX Release of 13 October 2009, that investigation has now ended.
 - continues to operate its research and development, and administration activities in a very cost conscious manner.
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?

The Company does anticipate future negative operating cashflow however does not anticipate the negative operating cashflow will include indefinitely the abnormal expenses associated with the due diligence investigations noted above.

3. 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:

- continues to operate its research and development, and administration activities in a cost conscious manner; and
 - is reviewing capital raising opportunities available to the Company and will provide details as soon as available.
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

The Company is in compliance with the Listing Rules of ASX including Listing Rule 3.1.

5. 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 directors believe the Company will have access to sufficient capital to continue to pursue its business activities.

Yours sincerely



**WINTON WILLESEE
DIRECTOR
INCITIVE LIMITED**



ASX Markets Supervision Pty
Ltd
ABN 26 087 780 489
Level 8, Exchange Plaza
2 the Esplanade
Perth WA 6000

16 October 2009

PO Box D187
Perth WA 6840

Mr W Willesee
Company Secretary
Incitive Limited
Level 1 2 Ross Place
SOUTH MELBOURNE VIC 3205

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020

Dear Winton,

Incitive Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September, 2009 released to ASX Limited ("ASX") on 15 October 2009 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$162,000.
3. Cash at end of quarter of \$251,000.

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 indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities. 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. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. 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 me on **facsimile number (08) 9221 2020**. It should not be sent to the Company 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 **5.00 p.m. W.D.S.T. on Wednesday, 21 October 2009**.

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, please do not hesitate to contact me on 9224 0000.

Yours sincerely,



Jill Hewitt
Adviser, Issuers (Perth)