

Monday 6th August 2012

Dean Litis
Principal Adviser
ASX Listings, Melbourne
Level 4, Rialto North Tower
525 Collins Street
Melbourne VIC 3000

Dear Dean,

iSonea Limited (the “Company”) - Appendix 4C- Quarter ended 30 June 2012

We refer to your email letter received on Thursday 2nd August 2012, in relation to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2012, released to ASX Limited ("ASX") recently (the “Appendix 4C”).

We provide the following responses to your queries:

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 has applied its cash toward meeting its targeted commercial and technical milestones as outlined in the prior quarterly and half-year reports and will continue to do so. This is represented in the last quarterly report which shows expenditure decrease in Staff Costs compared with prior quarters, partly offset by an increase in expenditures related to Marketing and Advertising and also an increase in expenditures for Development activities which coincides with the development and release of its new products.

Another factor that should be considered is that the Company is evaluating sources of investment and present and is in advanced discussions with a select few parties as potential strategic and cornerstone investors, as well as leading investment houses both in Australia and the United States. This is part of a controlled program related to the Company's capital management and shareholding structure on its way to product commercialisation. The Company is currently sourcing term sheets from potential investors and brokers.

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 expect to have negative operating cash flows similar to those reported in the last Appendix 4C as it continues to work towards achieving the commercial and technical milestones necessary for it to become financially self-sufficient.

Please also refer to the response for Question 1.

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 has a definitive list of objective milestones and delivery dates for products. The Company, under the guidance of the new board members and management, has achieved the majority of its targeted milestones and intends to continue to deliver the products on or ahead of their scheduled delivery date.

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

The Company continues to comply with all ASX Listing Rules.

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 Company believes that it is in a financial condition that continues to be adequate to warrant the continued quotation of its securities with the Australian Securities Exchange (ASX) and its continued listing.

Yours sincerely,



Peter Vaughan
Company Secretary



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2 August 2012

Phillip Hains/ Peter Vaughan
Joint Company Secretaries
Isona Limited

By email only

Dear Phillip & Peter

Isona Limited (the “Company”)- Appendix 4C- Quarter ended 30 June 2012

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2012, released to ASX Limited ("ASX") on 1 August 2012 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$1,000.
2. Net negative operating cash flows for the quarter of \$1,122,000.
3. Cash at end of quarter of \$1,336,000.

In the 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 may 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 by return email. It should not be sent to the Markets 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 **9.30am EST on Tuesday, 7 August 2012**.

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.

Yours sincerely

[Sent electronically without signature]

Dean Litis

**Principal Adviser
Listings (Melbourne)**