



28th July 2015

ASX Compliance Limited
Level 40 Central Park
152-158 St George's Terrace
Perth WA 6000

Attention: Mr Jeremy Newman
Senior Advisor, Listings Compliance (Perth)

Dear Sir

Appendix 3Y

We refer to the Appendix 3Y lodged by the Company on 23rd July 2015 in relation to the holdings of Dr B Hockings, in particular two sales of options which had occurred more than five business days prior to the date of the Appendix 3Y announcement.

We refer also to your letter of 24th July 2015 and respond to the questions therein as follows:

1. The Appendix 3Y was lodged late because the director did not advise the company of the option movements.

The director advises that this was under the mistaken view that notification was not required until the transaction was completed.

2. The Company has agreements with each director in which the director undertakes to provide details of changes in holding of securities within three business days of the change.
3. This is the first instance of non-compliance by Dr Hockings of the agreement and the Company is satisfied that there will not be a recurrence.

Notwithstanding this, the Company has requested its share registrar to notify the Company directly of any movements in the holdings of Dr Hockings.

We trust that this is a satisfactory response to your letter.

Yours faithfully
Phylogica Limited

A handwritten signature in black ink, appearing to read "G Boden".

G Boden
Company Secretary



24 July 2015

Mr Graeme Boden
Company Secretary
Phylogica Limited

Dear Mr Boden

Phylogica Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 23 July 2015 regarding a change of director's interest notice for Dr Bernard Hockings ("Appendix 3Y").
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 an 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). The entity must complete an 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 an 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 as follows.

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.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicates that changes in Dr Hockings' notifiable interests occurred on 6, 9 and 22 July 2015, the Appendix 3Y for these changes should have been lodged with the ASX by no later than 13 July 2015. As the Appendix 3Y was lodged on 23 July 2015, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

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", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place 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 the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to jeremy.newman@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **9:00AM WST on Wednesday, 29 July 2015**.

Under listing rule 18.7A, a copy of this query 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. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Jeremy Newman
Senior Adviser, Listings Compliance (Perth)