

13 February 2011

ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000
Attention: Ms Lux Wigneswaran

Dear Lux,

Disclosure by Connxion Limited (the "Company")

I refer to your letter dated 11 February 2011 regarding the Company's report Appendix 4C released to the ASX on 31 January 2011.

In respect to your letter we respond to your specific questions (1-5) as follows:

1. Connxion has reported a negative net operating cashflow for the quarter ended 31 December 2010. This is largely due to the timing of receipts and payments between quarters. A significant receipt from a client was received early, on the last day of the previous quarter, ended 30 September 2010, and subsequent creditor payments made in the quarter ended 31 December 2010. The Company does not expect to continue to expend cash, from its normal operations, at this rate in the future;
2. As above, the Company does not expect to have the quantum of negative cashflow in the future. The Company continually manages its cashflow and seeks to continue to extract efficiencies from its operations;
3. The Company is continuously looking at ways to improve its performance and is in the process of reviewing and rationalising its operations. This has been reported to the market in the Company's Q2 Shareholders report recently released to the ASX;
4. The Company confirms that it is in compliance with the requirements under listing rule 3.1 and will ensure that it continues to do so in the future;
5. The Company is confident that it satisfies the requirements under listing rule 12.2 in relation to its financial condition. The Company considers that in the circumstances it would be reasonable for the ASX to form the view that the Company's financial condition is adequate to warrant the continued quotation of its securities and continued listing. When determining the state of its financial condition, the Company has given consideration to the composition of the balance sheet, the relative size of liabilities to assets and access to funds, currently and in the future, as required by the note to listing rule 12.

We trust this satisfies the ASX queries on this matter, however please feel free to contact me if you require any further clarification.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andrew Phillips', with a long horizontal stroke extending to the right.

Andrew Phillips
Company Secretary



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Sydney NSW 2000
PO Box H224
Sydney NSW 1215
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11 February 2011

Mr Andrew Phillips
Company Secretary
Connxion Limited
Level 5, 22 Market Street
Sydney NSW 2000

By Email

Dear Andrew,

Connxion Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2010, released to ASX Limited ("ASX") on 31 January 2011 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$6,267,000
2. Negative net operating cash flows for the quarter of \$706,000
3. Cash at end of quarter of \$1,105,000

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 indicated by the Appendix 4C the Company may not have sufficient cash to fund its activities for the next two quarters? 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 email. 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. AEDT on Monday, 14 February 2011**.

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)

Lux Wigneswaran
Senior Adviser, Listings (Sydney)