

23 November 2012

Mauro Piccini
ASX Compliance Pty Limited
Level 8 Exchange Plaza, 2 The Esplanade
Perth WA 6000

Dear Mr. Piccini

Response to ASX query

Consegna Group Limited (Company) refers to your letter dated 20 November 2012.

Using the numbering in your letter, we respond to your questions as follows:

1. There are other factors that should be taken into consideration when assessing the Company's position.

As previously announced, the Company is still in negotiation with Triple A Holdings to finalise a definitive global licensing agreement for the marketing and distribution of the Company's BreatheAssist product suite. In accordance with the proposed terms of the agreement, the Company would receive an initial license fee of A\$5 million in the first year with further minimum royalty payments to Consegna of A\$3 million in the second year, A\$5million in the third year, A\$7 million in the fourth year and A\$10million in the fifth year or 25% of gross profit each year, whichever is the greater.

Additionally, the Company has access to a funding facility from Lind Partners, which provides drawdowns monthly of amounts between \$75,000 and \$225,000.

2. No.
3. Revenue and expenses for the period were in line with the Company's expectations.
4. Not applicable given response to question 3.
5. Over the current and previous quarters significant operating costs have been incurred in developing and commercializing the Company's BreatheAssist product range. With the significant amount of the R&D expense for BreatheAssist complete, it has enabled the Company to enter into negotiations for a global licensing agreement with upfront licensing payments and guaranteed royalty payments. In addition, the Company has reduced its portfolio of products and related expenditure with the sale of Linguet and the Board electing to discontinue the development of Aspen Medisys. The Company therefore expects expenses to decrease significantly in ensuing quarters.

In addition, the Company intends to issue up to \$1,000,000 in convertible notes as per a resolution to be put to shareholders at the Company's AGM. As mentioned in point 1, the Company has the ability to drawdown approximately \$300,000 this quarter pursuant to its funding agreement with the Lind Partners.



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6. The Company confirms it remains in compliance with Listing Rule 3.1.
7. Consegna Group considers it is in compliance with ASX Listing Rule 12.2 having regard to the composition of its balance sheet, relative size of liabilities and access to funds.

Yours faithfully,

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Consegna Group Limited



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20 November 2012

Mr. Justyn Stedwell
Company Secretary
Consegna Group Limited
7/21 Northumberland Street
Collingwood VIC 3066

By email: justyn@stedwell.com.au

Dear Justyn

Consegna Group Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2012, released to ASX Limited ("ASX") on 31 October 2012 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$90,000.
2. Net negative operating cash flows for the quarter of \$777,000
3. Cash at end of quarter of \$207,000

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 for the next quarter. 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. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. 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 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 half an hour before the commencement of trading (6:30 am WST) on Friday, 23 November 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 regarding any of the above, please contact me on 9224 0000.

Yours sincerely,

[sent electronically without signature]

Mauro Piccini
Adviser, Listings (Perth)