

2 December 2008

Mr Rohan Abeyewardene
Adviser, Issuers (Brisbane)
Australian Stock Exchange Limited
Level 5
Riverside Centre
123 Eagle Street
Brisbane, QLD 4000

BY EMAIL: rohan.abeyewardene@asx.com.au

Dear Sir,

RE: APPENDIX 4C QUERY FOR THE MONTH ENDED 31 October 2008

We refer to your letter dated 1 December 2008. Set out below is our response to each of the questions set out in your letter:

1. Despite the volatile market conditions, the Company has been active in pursuing capital raising opportunities and is well advanced in discussions with potential investors in respect of a placement of shares.

The Board has a high level of confidence that while verbal commitments have already been made in respect of part of the proposed placement, it will secure binding commitments for the balance shortly, allowing the Company to be able to finalise a placement of shares in a timely manner. The Company anticipates being able to make an announcement on the completed placement shortly and is conscious of its market disclosure obligations in respect of the same.

The expected money will address the funding of the Company's activities moving forward.

2. As announced to the market on 5th November 2008, BPG's e-Kiosk Project in Chongqing China continues to move forward with the number of installed sites and approvals continuing to grow.

Key milestones achieved by the project to date and the anticipated progress outlined in the group's update to the market on the 5th November 2008 including

- 34 e-Kiosk units rolled out in Chongqing, China
- 135 new sites secured
- Byte Power Chongqing has targeted an additional 225 e-Kiosks to be rolled out over the next 7 months to June 2009.
- Projected annualized revenue from 259 kiosks is AUD1.8M (RMB8.3M) at a current exchange rate of AUD1= RMB4.6 with a return of investment of 2 years. A key contributor to the earnings will be kiosk rental and external advertising.

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Chongqing (China)

- Contract signed with E-Card Centre to supply enhanced terminals for utility fee collection in Hechuan, Jiangjin, Sha Pingba and Yubei Districts

Revenues from the Chongqing project are expected to continue to grow in line with the advice provided on the 5th November.

While revenues from the e-Kiosks are still modest, the Group expects revenues to pick up significantly in the first half of 2009 when the number of installed e-Kiosk sites exceeds 100.

The Group is also working on a number of opportunities in Australia in both the traditional and expanded IT focus the group now has.

While the existing operation is not expected to improve the Group's short term cash position, the Group continues to believe in the viability of its kiosks business in the medium to long term as share by many of its original shareholders and new investors. The Group believes that the tipping-point of the kiosk business would be achieved in mid 2009 and is discussing with several investors to ensure it has enough capital to reach the milestone.

3. The actual revenue and expenses of the Company for the month of October 2008 is in line with the management expectations.
4. Not applicable.
5. There are no significant changes to the business objectives and strategies outlined in the annual report released to the market on 30 September 2008.

With the Chongqing e-Kiosk rollout underway, revenue will be generated from rental, advertising and other convenience services provided by the e-Kiosks in the short term which will continue to grow as the number of e-Kiosks increases.
6. The Company confirms that it is in compliance with the ASX Listing Rules and in particular LR 3.1.
7. In the Company's opinion, it is in compliance with ASX LR 12.2 and its financial condition is adequate to warrant continued quotation of its securities and its continued listing.

Yours faithfully,



Ethel Lau
Company Secretary
Byte Power Group Limited

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1 December 2008

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Dear Ms Lau

Byte Power Group Limited (the "Company")

I refer to the Company's Appendix 4C for the quarter ending 31 October 2008 ("Appendix 4C") released to ASX Limited ("ASX") on Friday, 28 November 2008.

ASX notes that the Company has reported the following.

1. Receipts from customers of \$72,000.
2. Net negative operating cash flows for the month of (\$135,000).
3. Cash at end of month of \$24,000.
4. Nil financing facilities available to be drawn upon.

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 month ended 31 October 2008, as indicated by the Appendix 4C, the Company may not have had sufficient cash to fund its activities for another month. 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 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 month, 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

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

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 as set out in its annual report for the period ending 30 June 2008 (the "Annual Report")? The Company's business objectives and strategies may have changed since the date of the Annual Report. If so, this should be taken into account in your response.
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 via **email at rohan.abeyewardene@asx.com.au** or by **facsimile number (07) 3832 4114**. 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 **12.00pm E.D.S.T. (11.00am Brisbane time) on Tuesday, 2 December 2008**.

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 in relation to the above, please let me know.

Yours sincerely



Rohan Abeyewardene
Adviser, Issuers (Brisbane)