



22nd May 2017

Mr. Ben Secrett
Senior Advisor
ASX Listing Compliance
By Email (tradinghaltsperth@asx.com.au)

Dear Mr. Secrett,

Ensurance Limited (Company): Appendix 4C Query

We refer to your letter dated 18 May 2017 requesting further information with regards to the Company's Appendix 4C quarterly report for the period ended 31 March 2017 lodged with the ASX on 28 April 2017.

We will respond separately to each of the questions raised in your letter which have been reproduced below in bold.

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The company does expect that it will continue to have negative operating cash flows for the time being. The company has embarked on a growth phase, including expansion of the business into the UK, which the Company expects will deliver increased revenue, profitability and positive cash flows. The company has made some recent announcements in regards to the commercialization of a number of products and services being offered on the platform. The company is now starting to see the benefits in the form of increased revenue from the significant investment made over the past few years. The company expects to make some additional announcements with regards to the commercialization of the products and services on the platform in the near term which will lead to increases in revenue going forward.

2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Subsequent to the March 2017 quarter end, the company received the last lot of subscriptions to its \$3m capital raising by way of convertible notes. In total the company raised \$2,280,000 in Convertible Notes and \$720,000 in Converting Loans, amounting to the required total of \$3m. The \$3m Convertible Notes issue was previously announced to the market.

The company is also currently in advanced discussions with a number of high net worth and strategic investors with a view to raising further capital in the near term. The Board is confident that these measures will be successful.

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The company is confident that it will be able to continue its operations and meet its business objectives. The company is currently in advanced discussions with a number of high net worth and strategic investors with a view to raising further capital in the near term. To date the company has been successful in raising \$3million via a convertible notes issue and is confident in its ability to raise further capital to support its growth plans into the future. A market announcement with regards a Non-Renounceable Entitlement Offer was released today.

4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

We confirm that the company is in compliance with Listing Rule 3.1. The company's financial position was recently announced to the market in its December 2016 interim financial report. The company's plans for growth, expansion of the business into the UK and the need to raise capital has already been announced to the market, in compliance with Listing Rule 3.1. The company does intend to raise further capital. A market announcement with regards a Non-Renounceable Entitlement Offer was released today. The company is not aware of any other information that has not already been released to the market.

5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

The company's responses to your questions above have been reviewed and authorised for release by the Company's Board of Directors.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Sam Hallab', with a long horizontal flourish extending to the right.

Sam Hallab
Company Secretary



18 May 2017

Sam Hallab
Ensurance Limited
Level 2, 2 Glen Street
MILSONS POINT NSW 2061

By email

Dear Mr Hallab

ENSURANCE LIMITED ("COMPANY"): APPENDIX 4C QUERY

I refer to the Company's Appendix 4C quarterly report for the period ended 31 March 2017 lodged on the ASX Market Announcements Platform and released on 28 April 2017 (the "Appendix 4C").

ASX notes that the Company reported:

- negative net operating cash flows for the quarter of \$872,000;
- cash at the end of the quarter of \$199,000; and
- estimated cash outflows for the next quarter of \$1,831,000.

It is possible to conclude, based on the information in the Appendix 4C, 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 continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 4 pm AWST on Monday, 22 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be **sent to me by e-mail at tradinghaltspert@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Ben Secrett

Senior Adviser, ASX Listings Compliance (Perth)