

21 March 2019

Penelope Reid
ASX Compliance Pty Ltd
Level 40 Central Park
152 – 158 St Gorges Terrace
PERTH WA 6000

Dear Penelope,

We refer to your letter of 21 March 2019 and respond as follows:

1. The Entity is not aware of any information concerning it that has not been announced which, if known by some in the market, could explain the recent trading in its securities.
2. (a) not applicable
(b) not applicable
(c) not applicable
3. The Entity is not aware of any other explanation for the recent trading in its securities.
4. The Entity is in compliance with the Listing Rules of ASX including Listing Rule 3.1.
5. The Entity confirms that SMN's responses to the questions above have been authorised and approved by its board.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Sam Wright', with a small mark at the end of the signature.

Sam Wright
Company Secretary



21 March 2019

Mr Sam Wright
Company Secretary
Structural Monitoring Systems PLC
Suite 39, 1 Freshwater Parade
Claremont WA 6010

By email: sam@straightlines.net.au

Dear Mr Wright

Structural Monitoring Systems PLC ('SMN'): Price Query

We note the change in the price of SMN's securities from an open of \$0.87 to an intra-day low of \$0.755 today. We also note the significant increase in the volume of SMN's securities traded today.

Request for Information

In light of this, ASX asks SMN to respond separately to each of the following questions and requests for information:

1. Is SMN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is SMN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in SMN's securities would suggest to ASX that such information may have ceased to be confidential and therefore SMN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that SMN may have for the recent trading in its securities?
4. Please confirm that SMN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that SMN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SMN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1.30 PM AWST today Thursday, 21 March 2019**. If we do not have your response by then, ASX will likely suspend trading in SMN'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, SMN'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 ListingsCompliancePerth@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 Rules 3.1 and 3.1A

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 SMN’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 SMN’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, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in SMN’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*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in SMN’s securities under Listing Rule 17.3.

Enquiries

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

Yours sincerely

Penelope Reid

Adviser, Listings Compliance (Perth)