

22 February 2019

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)
ASX Ltd
20 Bridge Street
Sydney
NSW 2000

Dear Lisa

REGENEUS LTD (COMPANY): RESPONSE TO APPENDIX 4C QUERY

We acknowledge receipt of ASX's letter dated 19 February 2019 regarding the Company's quarterly report for the period ended 31 December 2018 released on 30 January 2019.

In response to each of the questions, we advise as follows:

1. The Company expects to continue to have negative operating cash flows for the time being.
2. The Board assesses the Company's funding requirements on a continual basis in light of its business objectives. The Company is currently in the process of negotiating financing arrangements for its ongoing requirements. The terms of the financing are incomplete and not able to be released. The Company believes that these will be successful and will release details to the market once finalised.

In addition, as is prudent, the board is assessing multiple options with regards to making available additional capital to the business as and when it is required. These potential sources of funding were outlined in the Company's quarterly report for the period ended 31 December 2018 and include, if appropriate, accessing opportunities for new capital from either existing or new shareholders.

3. The Company confirms it expects to be able to continue its operations and meet its business objectives, based on the anticipated successful finalisation of the financing arrangements referred to in answer 2 above.
4. The Company confirms that, to its best knowledge and belief, it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1. The Company believes that there is no information about its financial condition that should be given to the ASX that has not already been released to the market.

5. The Company confirms that the above response to the questions have been authorised by the Board in accordance with the Company's published continuous disclosure policy.

The Company believes that it is in compliance with Listing Rule 12.2 as it is of the view that it has access to sufficient sources of funds to meet its operating commitments.

Yours sincerely,



Sandra McIntosh
Company Secretary



19 February 2019

Ms Sandra McIntosh
Company Secretary

By email:

Dear Ms McIntosh

Regeneus Ltd ('RGS'): Appendix 4C Query

ASX refers to RGS's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 30 January 2019 (the 'Appendix 4C').

ASX notes that RGS has reported:

- negative net operating cash flows for the quarter of \$1,566,000;
- cash at the end of the quarter of \$1,144,000; and
- estimated cash outflows for the next quarter of \$1,680,000.

It is possible to conclude, based on the information in the Appendix 4C, that if RGS were to continue to expend cash at the rate indicated by the Appendix 4C, RGS may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks RGS to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does RGS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has RGS 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 RGS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that RGS is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that RGS'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 RGS with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that RGS considers may be relevant to ASX forming an opinion on whether RGS is complying with Listing Rule 12.2 that 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEDT Friday, 22 February 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in RGS'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, RGS'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 ListingsComplianceSydney@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 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 RGS'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 RGS'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 RGS's securities under Listing Rule 17.1. If you wish to request 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*.

Enquiries

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

Regards

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)