



14 February 2018

James Rowe  
Manager ASX Listings Compliance  
ASX Compliance Pty Limited  
20 Bridge Street  
SYDNEY NSW 2000

By email: tradinghaltspert@asx.com.au

Dear Mr Rowe

**BPH ENERGY LIMITED ("BPH" OR "COMPANY")**

We refer to the letter received by the Company from ASX ("ASX letter") dated 9 February 2018 and respond as follows:

ASX query

1) *Please advise how much of the funds raised under the Rights Issue were expended on the following items as disclosed in the offer document:*

- (a) *Cortical Dynamics investment*
- (b) *Investment in oil and gas*
- (c) *HLS5 investment*
- (d) *Working capital*

Company response

Set out in Appendix 1 is an analysis of the Company's cash-flow expenditure for the 13 months ended 31 January 2018. From the cash flow data the following cash expenditure can be concluded:

- (a) Cortical Dynamics investment: \$100,000
- (b) Investment in oil and gas: \$Nil
- (c) HLS5 investment: \$29,000 (by means of funds advanced to Molecular Discovery Systems Limited)
- (d) Working capital: \$376,000

**BPH Energy Limited** ACN 95 912 002

PO Box 317, North Perth, Western Australia 6906  
14 View Street, North Perth, Western Australia 6006  
admin@bphenergy.com.au www.bphenergy.com.au  
T: +61 8 9328 8366 F: +61 8 9328 8733

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As outlined in Appendix 1, the working capital expenditure for the 13 month period was partly met by using the Company's cash balances at 31 December 2016. In addition, the Company made \$153,000 in loan repayments in the 13 months to Grandbridge Limited ("Grandbridge") using the Company's cash balances at 31 December 2016.

ASX query

2) *Please advise as at the date of this letter how much of the funds raised under the Rights Issue and shortfall have been expended on the further investments in:*

- (a) Medical devices*
- (b) Oil and gas*
- (c) Biotechnology*
- (d) Working capital*
- (e) Debt reduction*

Company response to (a), (b), (c), (d)

The response provided to the previous question details the Company's cash expenditure in the 13 months to 31 January 2018. Other than specified in the Company's response to that question, there have been no further investments in medical devices, oil and gas, biotechnology and working capital.

Company response to (e)

The amount of funds raised under the Offer Document dated 11 January 2017 was reduced by a total of \$295,038 due to offsets against loans with Directors and Underwriters.

The Company made \$153,000 in loan repayments in the 13 months to Grandbridge Limited ("Grandbridge") using the Company's cash balances at 31 December 2016.

ASX query

3) *If funds raised under the Rights Issue and shortfall have not been expended on any of the following:*

- (a) Medical devices*
- (b) Oil and gas*
- (c) Biotechnology*
- (d) Working capital*
- (e) Debt reduction*

*as contemplated in the Rights Issue and subsequent Appendix 3B's, please explain why the funds have not been spent in accordance with the use of funds table in the Rights Issue Offer document*

## Company response

The use of funds table in the Offer Document dated 11 January 2017 was calculated on a full capital raising of \$1,808,002 reduced by offsets of \$286,650, to raise net cash of \$1,521,352. In the end the net cash raised was \$803,469, or 53% of the maximum set out in the Offer Document.

(a) Cortical Dynamics investment:

Cortical Dynamics Limited ("Cortical") raised \$475,000 in equity in the year to 30 June 2017 (including \$100,000 from BPH) and \$224,000 equity in the 6 months to 31 December 2017 to fund its operations. The capital raising success of the Cortical offer reduced Cortical's funding requirements from BPH.

(b) Investment in oil and gas: \$Nil

Funding offers have been made to MEC Resources Limited ("MEC") / Advent that have not been accepted by their directors.

(c) HLS5 investment:

The MDS funding requirements for the 13 months were mitigated by their funding requirements.

(d) Working capital:

The working capital expenditure of \$376,000 noted as the answer to ASX's question (1)(d) is lower than the \$378,002 estimated in the use of funds table in the Offer Document dated 11 January 2017. Although the Company only raised 53% of the cash proposed in the Offer Document dated 11 January 2017, working capital expenditure has been adversely impacted by the continuing legal actions with MEC. The ASX has been notified of developments in these actions, in particular please refer to the announcements of 4 July 2017, and 2 October 2017. At the time of the Offer Document dated 11 January 2017 it was not foreseen that these legal would actions would still be continuing. The Company paid \$133,000 in legal costs for the 12 months to 31 December 2017.

(e) Debt reduction

Not applicable

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ASX query

- 4) *Please advise the nature of the investment of \$100,000 disclosed in the 30 June 2017 Appendix 5B cash flow report. In providing your response please indicate whether or not the investment was made in accordance with the use of funds table disclosed in the 11 January Non-Renounceable Rights Issue offer document.*

Company response

It is assumed that this question relates to the Company's Appendix 4C for the quarter ending 30 June 2017. The \$100,000 investment was in Cortical given as the answer to question 1(a). The reason the investment is lower than forecast in the use of funds table disclosed in the 11 January Non-Renounceable Rights Issue offer document is provided as the answer to question 3(a).

ASX query

- 5) *Please provide a breakdown of the administrative and corporate costs expenses over the preceding four quarters. In answering this question please indicate the payments (if any) made to Grandbridge Limited or related parties of BPH.*

Company response

A breakdown of the administrative and corporate costs expenses as included in the Company's Appendix 4C's for the year ending 31 December 2017 are set out in Appendix 2, detailing payments made to Grandbridge or related parties of BPH together with other related party payments not included in administrative and corporate costs.

ASX query

- 6) *Please confirm that BPH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

Company response

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

ASX query

- 7) *Please confirm that BPH'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 ESE with delegated authority from the board to respond to ASX on disclosure matters*

Company response

The response has been prepared by an Officer with delegated authority to respond to ASX on disclosure matters.

The Company also considers the following points as relevant to the questions raised in the ASX letter:

- 1) Attention is drawn to the following sections of the Offer Document dated 11 January 2017

**Section 3.2 (Use of Funds)**

“The above table is a statement of the Board’s current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.”

In the Company’s view this clearly states that the proposed use of funds in the Offer Document is not definitive.

**Section 5.4 (Industry Specific Risks)**

**Subsection (c) (Oil and gas industry risks)**

**Subsection (ii) (No Controlling Interest)**

“The Company’s current interest in Advent means the Company does not have a controlling interest and accordingly the Company does not have the capacity to determine the outcome of decisions about Advent Energy’s financial and operating policies.”

In the Company’s view this clearly states that the investment of funds into its primary oil and gas asset, Advent is conditional on the co-operation of the Board of Advent and / or its major shareholder MEC.

**Section 5.5 (General Risks)**

**Subsection (h) (Unforeseen expenditure risk)**

“Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.”

The Company’s expenditure on working capital, primarily legal fees, has been impacted by the continuing legal actions with MEC. The ASX has been notified of developments in these actions, in particular please refer to the announcements of 4 July 2017, and 2 October 2017. At the time of the Offer Document dated 11 January 2017 it was not foreseen that these legal would actions would still be continuing. The Company paid \$133,000 in legal costs for the 12 months to 31 December 2017.

- 2) Attention is drawn to the following sections of the Entitlement Issue Prospectus dated 22 November 2017 with respect to the Company’s expenditure going forward:

**Section 6.1 (Purpose of the Offer)**

“The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new

circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.”

In the Company’s view this clearly states that the proposed use of funds in the Entitlement Issue Prospectus is not definitive.

**Section 8.3 (Industry Specific Risks)**  
**Subsection (c) (Oil and gas industry risks)**  
**Subsection (ii) (No Controlling Interest)**

“The Company’s current interest in Advent means the Company does not have a controlling interest and accordingly the Company does not have the capacity to determine the outcome of decisions about Advent Energy’s financial and operating policies.”

In the Company’s view this clearly states that the investment of funds into its primary oil and gas asset, Advent is conditional on the co-operation of the Board of Advent and / or its major shareholder MEC.

**Section 8.4 (General Risks)**  
**Subsection (g) (Unforeseen expenditure risk)**

“Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.”

The Company’s expenditure on working capital, primarily legal fees, continues to be impacted by the continuing legal actions with MEC. Section 4.1 (Risk Factors) of the Entitlement Issue Prospectus dated 22 November 2017 noted the continuing legal dispute with MEC.

- 3) The Company’s Appendix 4C’s for the quarters ending 31 March 2017, 30 June 2017, 30 September 2017, and 31 December 2017 have shown current and potential investors the Company’s actual cash expenditure in a timely manner.

Yours sincerely



David Breeze  
Executive Director

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APPENDIX 1: BPH CASHFLOW FOR THE 13 MONTHS ENDING 31 JANUARY 2018

	A	B	C	D	A-B+C+D	
	\$000	\$000	\$000	\$000	\$000	
Source	Audited financial statements 12 mths ending 30 June 2017	Auditor reviewed financial statements 6 mths ending 31 December 2016	Unaudited draft financial statements 6 mths ending 31 December 2017	Unaudited internal cash flow for the 1 mth ending 31 January 2018	Unaudited cashflow 13 mths ending 31 January 2018	
						Notes
<b>Net cash used in operating activities</b>						
Payments to suppliers and employees	(\$520)	(\$197)	(\$281)	(\$39)	(\$643)	
Interest received	\$4	\$2	\$1		\$3	
Interest paid	(\$2)		(\$1)		(\$3)	
<b>Net cash used in operating activities</b>	<b>(\$518)</b>	<b>(\$195)</b>	<b>(\$281)</b>	<b>(\$39)</b>	<b>(\$643)</b>	
<b>Cash flows (used in) investing activities</b>						
Loans (to) / from related parties	(\$4)		(\$9)	(\$16)	(\$29)	1
Investment in unlisted entity	(\$100)				(\$100)	2
<b>Net cash (used in) investing activities</b>	<b>(\$104)</b>	<b>\$0</b>	<b>(\$9)</b>	<b>(\$16)</b>	<b>(\$129)</b>	
<b>Cash flows from investing activities</b>						
Share issue proceeds (net of share issue costs)	\$1,244	\$553			\$691	3
Share issue proceeds (net of share issue costs)			(\$15)	\$21	\$5	4
Repayment of borrowings	(\$120)	(\$50)	(\$83)		(\$153)	5
<b>Net cash provided by investing activities</b>	<b>\$1,124</b>	<b>\$503</b>	<b>(\$98)</b>	<b>\$21</b>	<b>\$543</b>	
Net increase / (decrease) in cash held	\$502	\$308	(\$388)	(\$35)	(\$229)	
Cash and cash equivalents at the beginning of the period	\$112	\$112	\$614	\$226	\$420	
Cash and cash equivalents at the end of the period	\$614	\$420	\$226	\$191	\$191	
The above data can be further analysed:						
					\$000	
					Unaudited cashflow 13 mths ending 31 January 2018	Notes
Cash and cash equivalents at the beginning of the period (1 January 2017)					\$420	
Repayment of borrowings					(\$153)	5
Payments to suppliers and employees					(\$643)	
Cash from share issue proceeds (net of share issue costs) used as payments to suppliers and employees and to Grandbridge for administration and service fees (ie working capital expenditure)					(\$376)	
<b>Notes:</b>						
1 Loan to Molecular Discovery Systems Limited						
2 Investment in Cortical Dynamics Limited						
3 January 2017 Rights Issue						
4 November 2017 Rights Issue						
5 Repayment of loan to Grandbridge Limited						

**APPENDIX 2: BREAKDOWN OF ADMINISTRATIVE AND CORPORATE COSTS FOR THE 12 MONTHS ENDING 31 DECEMBER 2017**

	Appendices 4Cs 12months ended 31/12/2017 A\$000
General corporate costs	39
Audit	27
David Breeze related fees (Trandcorp Pty Ltd)	40
Insurance	23
Legal	133
Grandbridge Limited office services, administration, accommodation, fees and cost recoveries	293
Thomas Fontaine consulting	15
Capital raising costs shown in Appendix 4Cs under administration and corporate costs	63
<b>Total administration and corporate costs (line 1.2 Appendix 4C)</b>	<b>632</b>
<i>Related party payments included above:</i>	A\$000
David Breeze related fees (Trandcorp Pty Ltd)	40
Grandbridge Limited office services, administration, accommodation, fees and cost recoveries	293
Thomas Fontaine consulting (whilst he was a director of the Company)	15
<i>Related party payments not included above</i>	A\$000
Grandbridge Limited (repayment of loan, line 3.6 of Appendix 4C))	153
Grandbridge Limited and Grandbridge Securities Limited (capital raising costs)	21
Thomas Fontaine (capital raising costs)	1
David Breeze related fees (line 1.2(e) of Appendix 4C)	39
Investment in Cortical Dynamics Limited	100
Loan to Molecular Discovery Syetems Limited	13
<b>Notes</b>	
1) Payments include GST where applicable. GST refunds from the Australian Taxation Office have been set off against general corporate costs.	





9 February 2018

Mr David Breeze  
Company Secretary  
BPH Energy Limited  
14 View Street  
NORTH PERTH WA 6006

By email: David@grandbridge.com.au

Dear Mr Breeze

**BPH ENERGY LIMITED (BPH)**

ASX Limited ("ASX") refers to the following:

- A. BPH's Non-Renounceable Rights Issue Offer document dated 11 January 2017 ("Rights Issue") seeking to issue up to 361,600,549 shares at an issue price of \$0.005 per share to raise up to approximately \$1,808,000, and released on ASX's Market Announcement Platform ("MAP") on 11 January 2017, which disclosed:

*Use of Funds*

*The purpose of the Offer is to raise up to approximately \$1,808,000 (before the payment of costs associated with the Offer).*

*The Company intends to apply funds raised under the Offer as follows:*

<i>Items of Expenditure</i>	<i>\$</i>	<i>%</i>
<i>Cortical Dynamics Investment</i>	<i>680,000</i>	<i>38%</i>
<i>Investment in oil and gas</i>	<i>680,000</i>	<i>38%</i>
<i>HLS5 Investment</i>	<i>50,000</i>	<i>3%</i>
<i>Working capital<sup>1</sup></i>	<i>378,002</i>	<i>20%</i>
<i>Expenses of the Offer</i>	<i>20,000</i>	<i>1%</i>
<i>Total<sup>2</sup></i>	<i>1,808,002</i>	<i>100%</i>

*Note:*

*1. Funds allocated to working capital will be used for administration expenses of the Company over the next 15 months, including administration fees and other administration and obligatory overheads.*

*2. The amount of funds raised will be reduced by a total of \$286,650 due to offsets against loans granted by the Company to Directors and the Underwriters. The Company has agreed to offset Mr Breeze and Mr Fontaine's Entitlements totalling \$100,689 and, in the event of a Shortfall, to offset the Underwriters' commitments totalling \$185,961. The effect on the Offer will be that the total funds raised will be reduced to \$1,521,352 (before costs). For further details, refer to section 3.7 and 3.11 below.*

- B. BPH's Announcement titled Completion of Rights Issue released on MAP on 6 March 2017, which disclosed:

*Highlights*

- Applications were received for 188,301,466 shares totaling \$941,507 including applications for shortfall shares
- Net funds received were \$821,468 including \$250,183 for applications to participate in the shortfall
- The shortfall under the Rights Issue was 223,335,731 shares of the 361,600,549 shares available
- Allotment of shares will occur on 8 March 2017, with quotation on the Australian Securities Exchange on 9 March 2017, in accordance with the timetable issued on 20 February 2017

*The company has previously announced its intention to apply these funds to its investments including exploration into oil and gas. This fund raising together with cash at bank puts the company into a strong position to pursue these objectives.*

- C. BPH's Appendix 3B seeking quotation of 138,264,843 shares to participants in the rights issue and 35,000,000 shares to an underwriter released on MAP on 9 March 2017, which reported:

*The company intends to apply the funds raised to make further investments in existing investment areas of Medical Devices, Oil and Gas and Biotechnology as well as working capital, debt reduction and expenses of the raising.*

- D. BPH's Announcement titled Rights Issue Shortfall Allotment released on MAP on 28 March 2017, which disclosed:

*Highlights*

- An allotment today of 30,952,183 shares, providing most parties who applied for additional shares during the Rights Issue process with an allocation.
- The remaining unallocated shortfall under the Rights Issue is 157,383,536 shares of the original 361,600,549 shares available.

- E. BPH's Appendix 3B seeking quotation of 30,952,183 shares to participants in the rights issue shortfall released on MAP on 28 March 2017, which reported:

*The company intends to apply the funds raised to make further investments in existing investment areas of Medical Devices, Oil and Gas and Biotechnology as well as working capital, debt reduction and expenses of the raising.*

- F. BPH's Announcement titled Rights Issue - Further Allotment of Shortfall released on MAP on 5 April 2017, which disclosed:

*Highlights*

- An allotment today of 21,484,455 shares, providing parties who applied for additional shares during the Rights Issue process with an allocation.
- The remaining unallocated shortfall under the Rights Issue is 170,899,081 shares of the original 361,600,549 shares available.

- G. BPH's Appendix 3B seeking quotation of 21,484,455 shares to participants in the rights issue shortfall released on MAP on 5 April 2017, which reported:

*The company intends to apply the funds raised to make further investments in existing investment areas of Medical Devices, Oil and Gas and Biotechnology as well as working capital, debt reduction and expenses of the raising*

- H. BPH's Appendix 5B cash flow report for the quarter ended 31 March 2017 released on MAP on 26 April 2017, which reported:



## Payments for:

a) Research and development	Nil
b) Production manufacturing and operating costs	Nil
c) Advertising and Marketing	Nil
d) Leased Assets	Nil
e) Staff cost	Nil
f) Administration and corporate costs	131,000

## Payments to acquire:

a) property, plant and equipment	\$Nil
b) businesses	\$Nil
c) investments	\$Nil
d) intellectual property	\$NIL
e) other non-current assets	\$Nil

Cash and equivalents at end of quarter \$715,000

- I. BPH's Appendix 5B cash flow report for the quarter ended 30 June 2017 released on MAP on 31 July 2017, which reported:

## Payments for:

a) Research and development	\$Nil
b) Production manufacturing and operating costs	\$Nil
c) Advertising and Marketing	\$Nil
d) Leased Assets	\$Nil
e) Staff cost	\$Nil
f) Administration and corporate costs	\$222,000

## Payments to acquire:

a) property, plant and equipment	\$Nil
b) businesses	\$Nil
c) investments	\$100,000
d) intellectual property	\$NIL
e) other non-current assets	\$Nil

Cash and equivalents at end of quarter \$614,000

- J. BPH's Appendix 4E – Preliminary Final Report for the year ended 30 June 2017 released on MAP on 1 September 2017, which reported:

*In March and April 2017 the Company issued 219,701,468 shares under a share purchase plan at \$0.005 per share for \$1,098,507. Of these subscription monies, \$803,469 was received in cash and \$295,038 set off against related party payables.*

- K. BPH's Full Year Report for the year ended 30 June 2017 released on MAP on 2 October 2017, which reported amongst other things:

*As of 1 January 2017 a judgement was made that, despite owning 27% of Advent, the Company no longer exercised significant influence over Advent and it ceased to be treated as an associate entity*

from that date. In particular, the Company was not involved in the operational decision making of Advent and did not have access to its operational and financial records.

- L. BPH's Appendix 5B cash flow report for the quarter ended 30 September 2017 released on MAP on 1 November 2017, which reported:

Payments for:

a) Research and development	\$Nil
b) Production manufacturing and operating costs	\$Nil
c) Advertising and Marketing	\$Nil
d) Leased Assets	\$Nil
e) Staff cost	\$19,000
f) Administration and corporate costs	\$95,000

Payments to acquire:

a) property, plant and equipment	\$Nil
b) businesses	\$Nil
c) investments	\$Nil
d) intellectual property	\$NIL
e) other non-current assets	\$Nil

Cash and equivalents at end of quarter \$455,000

- M. BPH's Non-Renounceable Rights Issue Offer document dated 22 November 2017 seeking to raise up to approximately \$1.1 million through an issue of up to 588,702,017 shares at a price of \$0.002 per Share, and released on MAP on 23 November 2017, which disclosed amongst other things:

*Funds raised from the Offer will be used towards the Company's existing investments in its oil and gas projects through Advent Energy Limited (Advent) and MEC Resources Limited (MEC), and its biotechnology investments through Cortical Dynamics Limited (Cortical) as well as the expenses of the Offer and working capital.*

AND

*Purpose of the Offer*

*The purpose of the Offer is to raise up to approximately \$1,177,404. The funds raised from the Offer are planned to be used in accordance with the table set out below:*

<i>Proceeds of the Offer</i>	<i>Full Subscription</i>	<i>%</i>
<i>Investment in Oil and Gas</i>	<i>740,000</i>	<i>62.85%</i>
<i>Investment in Cortical and HLS5<sup>1</sup></i>	<i>40,000</i>	<i>3.40%</i>
<i>Maximum off-set amount<sup>2</sup></i>	<i>166,031</i>	<i>14.10%</i>
<i>Expenses of the Offer<sup>3</sup></i>	<i>46,044</i>	<i>3.91%</i>
<i>Working Capital</i>	<i>185,329</i>	<i>15.74%</i>
<i>Total</i>	<i>\$1,177,404</i>	<i>100%</i>

Notes:

1. Refer to ASX announcement dated 14 November 2017 for further details in relation to Cortical and the HLS5 investment.

2. The amount of funds raised will be reduced by up to a maximum of \$166,031 due to offsets against fees owed to the Company to current and former Directors, and loans granted by the Company to Grandbridge Limited. The Company has agreed to offset Mr David Breeze's Entitlements up to a maximum of \$71,783, Mr Greg Gilbert's (a former Director)

*Entitlements up to a maximum of \$1,923, Mr Tom Fontaine's (a former Director) Entitlements up to a maximum of \$8,769, and Grandbridge and Grandbridge Limited's Entitlements up to a maximum of \$83,556. The effect on the Offer will be that the total funds raised will be reduced by up to a maximum of \$166,031 to \$1,011,373 (before costs). For further details, refer to section 6.3 below.*

3. Refer to Section 9.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

- N. BPH's Appendix 5B cash flow report for the quarter ended 31 December 2017 released on MAP on 1 February 2018, which reported:

Payments for:

a) Research and development	\$Nil
b) Production manufacturing and operating costs	\$Nil
c) Advertising and Marketing	\$Nil
d) Leased Assets	\$Nil
e) Staff cost	\$19,000
f) Administration and corporate costs	\$184,000

Payments to acquire:

a) property, plant and equipment	\$Nil
b) businesses	\$Nil
c) investments	\$Nil
d) intellectual property	\$NIL
e) other non-current assets	\$Nil

Cash and equivalents at end of quarter	\$225,000
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#### **Request for Information**

Having regard to the above, ASX asks BPH 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.

- Please advise how much of the funds raised under the Rights Issue were expended on the following items as disclosed in the offer document:
  - Cortical Dynamics Investment
  - Investment in oil and gas
  - HLS5 Investment
  - Working Capital
- Please advise as at the date of this letter, how much of the funds raised under the Rights Issue and shortfall have been expended on further investments in:
  - Medical devices,
  - Oil and Gas
  - Biotechnology
  - Working capital



- e. Debt reduction

In answering this question please provide a breakdown of how the funds have been spent and specifics of the investment.

3. If funds raised under the Rights Issue & shortfall have not been expended on any of the following:
  - a. Medical devices,
  - b. Oil and Gas
  - c. Biotechnology
  - d. Working capital
  - e. Debt reduction

as contemplated in the Rights Issue and subsequent Appendix 3B's, please explain why the funds have not been spent in accordance with the use of funds table in the Rights Issue offer document.

4. Please advise the nature of the investment of \$100,000 disclosed in the 30 June 2017 Appendix 5B cash flow report. In providing your response please indicate whether or not the investment was made in accordance with the use of funds table disclosed in the 11 January 2017 Non-Renounceable Rights Issue offer document.
5. Please provide a breakdown of the administrative and corporate costs expenses over the preceding four quarters. In answering this question please indicate the payments (if any) made to Grandbridge Limited or related parties of BPH.
6. Please confirm that BPH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that BPH'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 ESE 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, 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 **6 am (WST) on Tuesday 13 February 2017**.

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, BPH'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.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto: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 Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to BPH'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 BPH'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 BPH'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.

Please contact me if you have any queries about the above.

Yours sincerely

[sent electronically without signature]

James Rowe  
**Manager, ASX Listings Compliance**