

18 November 2013

Mr Andrew Kabega
Adviser, Listings Compliance (Sydney)
ASX Compliance
20 Bridge Street
Sydney NSW 2000

By Email: andrew.kabega@asx.com.au

Dear Mr Kabega

IMF (Australia) Ltd ("the Company")
Response to ASX letter in relation to Appendix 3Y dated 1 November 2013

I refer to your letter dated 18 November 2013 regarding the Appendix 3Y lodged by the Company with ASX on 1 November 2013 for Mr John Walker ("Director") and below respond to your questions.

1. Please explain why the Director's Interest Notice was lodged late.

On 31 October 2013, the Company received advice that the parents of the Director sold their Convertible Notes on 23 October 2013. The following day an Appendix 3Y relating to the sale was lodged with the ASX with other 3Y Notices.

Following our internal investigations today, I wish to advise that the change in the Director's interests occurred on the 24 October 2013 and not the 23 October 2013. On that basis the 3Y Appendix should have been lodged with the ASX by 31 October 2013. It was in fact lodged one day late on 1 November 2013.

I also note that the Appendix 3Y was prepared on 31 October 2013, however it was lodged by the Company on 1 November 2013 as I was in Hong Kong presenting at the ASX Spotlight Seminar during the afternoon of 31 October 2013.

You will note that the Director also sold Convertible Notes between 18 and 21 October 2013 and an Appendix 3Y was lodged on 23 October 2013 in accordance with Listing Rule 3.19A.

Our investigations indicate that the requisite notice by the Director of the dealing in the Convertible Notes by his Parents was an oversight and an isolated incident.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company recently revised its Securities Trading Policy and lodged this with the ASX on 14 October 2013. The new Securities Trading Policy complies with the ASX Listing Rules and was adopted by the Board of Directors on 13 October 2013.

In section 5.4(a) of the Securities Dealing Policy, it notes that a Restricted Person (a defined term meaning all Directors their spouses or any other related parties...) must notify the Risk Officer where that Restricted Person Deals in the Company's Securities within 2 Business Days of such dealing having taken place.

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As stated above, the delay in the requisite notification by the Director in this instance was an oversight and the Director will ensure compliance in all future dealings.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company is of the view that its current arrangements are adequate and does not propose to introduce additional steps in this instance to ensure future compliance with Listing Rule 3.19B. The Company reiterates that this was an isolated incident and should not occur again.

If you have any further queries regarding this matter please do not hesitate to contact me on 8223 3545.

Yours sincerely

A handwritten signature in black ink, appearing to read "Diane Jones", enclosed within a hand-drawn oval.

Diane Jones
Chief Operating Officer

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18 November 2013

Diane Jones
Company Secretary
IMF (Australia) Limited
Level 10
39 Martin Place
Sydney NSW 2000

By Email

Dear Ms Jones

IMF (Australia) Limited (the "Company")

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 1 November 2013 for Mr John Walker;
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

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4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that a change in the Director's notifiable interests occurred on 23 October 2013. It appears that the Appendix 3Y should have been lodged with ASX by 30 October 2013, in relation to the changes in the Director's notifiable interests that occurred on 23 October 2013. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Director's Interest Notice was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to andrew.kabega@asx.com.au. It should **not** be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than **9.30 a.m. AEDT on Wednesday, 20 November 2013**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

(sent electronically without signature)

Andrew Kabega
Adviser, Listings Compliance (Sydney)