

Mr Ian Craig
Companies manager
National Stock Exchange of Australia Limited
Level 2, 117 Scott Street
NEWSCASTLE NSW 2300

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Our reference
GNH:RT:0135

Your reference

19 September 2011

Dear Mr Craig,

IQNOVATE LIMITED (IQN) - APPLICATION TO LIST ON THE NSX

We act for IQNovate Ltd.

This is the formal application by IQNovate Ltd ("IQN") to list its ordinary fully paid securities on the National Stock Exchange of Australia Limited ("NSX").

IQN seeks the NSX's approval to list ordinary fully paid shares in the capital of IQN. Details of the number and spread will be provided after the close of the Initial Public Offering ("Offer"). Details about the number of the securities are listed below.

In compliance with the terms of the Appendix IA, we now provide you with the following information which where relevant and for the ease of reference refers to particular sections or pages of the Initial Public Offer document dated 12 September 2011 (the "Prospectus"):

1. General

- (1) the name of the applicant and the date and place of incorporation:

Refer "IMPORTANT INFORMATION" on page 4 of the Prospectus.

- (2) if not incorporated in Australia, the date on which the applicant became registered under the *Corporations Act*:

Not applicable.

- (3) the address of the principal registered office and the address of each office at which a share register is kept:

Principal registered office- refer section 11- Corporate Directory.

For share registry-refer section 11 and section 4.6 of the Prospectus.

- (4) a formal request for the *listing* of the *securities* in respect of which application is made, specifying the nature of the *securities* and the amount, class, the voting rights attached and whether they are to be fully paid:

Re formal request - please note above.

Nature of securities: ordinary fully paid shares.

Re number and class of securities to be issued please refer sections 2.3, 4.1 and 4.4 of the Prospectus.

Re voting rights of shares please refer section 9.3 of the Prospectus.

- (5) the proposed method by which the *securities* are to be brought to *listing* and details of any proposed distribution of the *securities*:

By initial Public Offer and application for listing.

Details of proposed distribution of securities please refer section 4.4 of the prospectus.

- (6) the estimated market capitalisation of the securities for which a *listing* is sought:

Refer section 2.3 of the Prospectus.

- (7) an estimate of the net proceeds of any proposed issue and the intended use of the proceeds:

Refer sections 4.3 and 5.3 of the Prospectus.

- (8) the name of any other stock exchange on which any *securities* of the *issuer* are already *listed* and/or traded:

None.

2. Share capital and ownership

- (1) A list in tabular form of:
- (i) the designation or title of each class of share;
 - (ii) the number of shares issued;
 - (iii) the voting rights attached to each share;
 - (iv) the amount of fully paid up shares;
 - (v) the shareholdings of the *directors* and officers of the *issuer*; and

- (vi) so far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the *issuer* who own five percent (5%) or more of the shares of the *issuer* and their respective shareholdings.

Attached in Table 1.

- (2) A list in tabular form of the names of all shareholders of the *issuer* including the dates that the shares were allotted to them, the consideration that they provided and the number of shares that are held.

Attached in Table 2.

3. Securities

An outline of the principal terms of the *securities* the applicant wishes to *list*.

Refer section 9.3 of the Prospectus.

4. History and nature of business

A short introductory paragraph describing the general nature of the business and products of the applicant. A brief history of the *issuer* for the last five (5) years or, if later, from inception to the date of the application. A description of the business now conducted by the *issuer* and its *child entities*, including principal products manufactured, services performed or investments held, principal markets for products and raw materials, method of marketing, annual turnover for the preceding three (3) financial years and for the current financial year to the latest date available.

For business summary refer section 5.1 of the Prospectus.

There are no child entities.

In terms of financial history please refer to section 8 of the Prospectus.

5. Summary of earnings

A summary of earnings, on a consolidated basis if the applicant has *subsidiaries*, for the last three (3) financial years, showing sales, earnings before charges for depreciation, interest and tax (if any), the amount of each of those charges, net income before extraordinary items, extraordinary items, net income and earnings per share.

Refer section 8 of the Prospectus. The Issuer has not traded or derived income and earnings per share.

6. Tabulation of balance sheet

A tabulation of its balance sheet for each of the last three (3) financial years (on a consolidated basis if the *issuer* has *subsidiaries*) or from the date of incorporation, if shorter. The tabulation

should include a calculation of the net asset value per *security* for each of the three (3) financial years.

Refer Pro Forma Balance sheet incorporated in section 8 of the Prospectus.

7. Employees

A statement as to the total number of persons regularly employed and, if subject to seasonal fluctuations, the maximum and minimum numbers employed during the preceding twelve (12) months.

The Issuer has two employees. This has not fluctuated. The employees are covered by contracts which are summarised in section 9.1 of the Prospectus as material agreements.

8. Child entities

A tabular list of all *child entities* showing in respect of each such corporation:

- (1) the name of the corporation;
- (2) a brief statement of the nature of its business and its relationship to the operations of the entire enterprise; and
- (3) share capital by classes, showing the amount issued and the amount owned by the *holding entity*.

There are no child entities.

9. Dividend record

State the number of consecutive years in which dividends have been paid. State the amount of dividend (per share and in the aggregate) paid by the applicant (and its *child entities*) for each of the three (3) preceding years. Indicate whether dividends have been paid on a quarterly, semi-annual or annual basis. State the record date, payment date and the date of declaration with respect to each dividend paid during the past two (2) years.

The issuer has not declared or paid any dividends in the past 2 years.

10. Properties

Describe briefly the general character of the properties of the applicant and its *child entities*, including:

- (1) location;
- (2) land area;
- (3) number of buildings;

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- (4) aggregate floor area of buildings; and
- (5) whether properties are owned or leased, and if leased, state total rental paid for each of the three (3) preceding financial years and average term of years.

The Issuer leases premises at 8 Grose Street, Parramatta. The total lease liability is referred to in the accounts and financial statements of the Issuer attached and referred to by note in section 8 of the Prospectus.

11. Litigation

Particulars of any litigation or claims of material importance made against any member of the group in the last five (5) years or which is pending or threatened against any member of the group, or an appropriate negative statement.

Refer sections 7.3 and 9.6 of the Prospectus

12. Management

- (1) the full name, residential address and description (being his or her qualifications or area of expertise or responsibility) of every *director* or proposed *director* and any *person* who performs an important administrative, management or supervisory function and particulars of the principal functions performed by each of them within the group if significant to the group;

Refer section 6 of the Prospectus.

Residential addresses of directors as follows:

George Syrmalis – 7 Yerong Place CASTLE HILL NSW 2154

Con Tsigounis – 15 Rutherglen Avenue NORTHMEAD NSW 2152

William Economos – 21 Hancock Street BEXLEY NSW 2207

Peter Simpson – 10 Monomeath Avenue CANTERBURY VICTORIA 3126

- (2) the nature of any family relationship between the *persons* mentioned in (1);

None.

- (3) a brief account of the business experience of each of these *persons* during the last five (5) years;

Refer section 6 of the Prospectus.

- (4) indicate any other directorships held by each *director* or proposed *director* in any publicly *listed* or traded companies; and

None.

- (5) state if any *director* or proposed *director* has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a *director* or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.

No director has in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a director or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.

13. Sponsors, bankers, etc.

- (1) the names and addresses of the *issuer's* sponsor, financial advisers, principal bankers, nominated adviser, share registrar/transfer agent and solicitors; and

For issues sponsor, financial advisers, nominated adviser, share registrar and solicitors refer to section 11 Corporate Directory of the Prospectus.

The principal banker of the Issuer is Westpac Banking Corporation, Parramatta, NSW

- (2) the name, address and professional qualifications of the *issuer's* auditors.

For auditor refer to section 11 Corporate Directory.

Name of Auditor – Fortunity Assurance.

14. Statement of non-compliance

A statement of any requirements of the *Listing Rules* which cannot be met by the applicant and detailed arguments to support any request for a waiver or modification of the normal requirements.

The Issue will meet each of the listing rules. In respect to the application of restricted securities the issues seeks a waiver of the restricted securities rules for all Pre IPO shareholders named in the list appearing in table 3 on the basis of the following submissions:

- A. *The issue price for Pre IPO shares in June 2011 was \$A0.178 as against the issue price of the Offer of \$A0.20 per share. This represents a sum equal to 89% of the issue price.*
- B. *The total number of Pre IPO shares issued was 2.8m shares. This represents 7.94% of the anticipated total diluted capital of the Issuer.*
- C. *None of The Pre IPO shareholders are not related parties.*

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D. Applying the cash relief rule the total of securities that would be restricted in any event is non material and

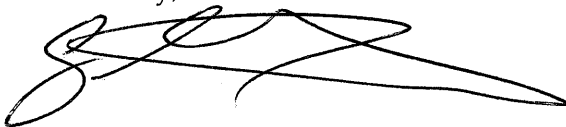
THEREBY the Issuer seeks a order by the listing committee of the NSX to the effect that the Pre IPO shareholders securities will not be subject to any restriction.

In accordance with the listing rules the directors of IQN by the issue of this application for listing declare to be to the best of the *issuer's* knowledge, information and belief that:

- (1) save as specified in the application letter, all the qualifications for *listing* set out in Chapter 3 of Section IIA of the *Listing Rules* have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the *issuer* and the securities of the *issuer* the subject of the application;
- (2) all information required to be included in the *disclosure document* pursuant to Rule 4.8 and the *Corporations Act* will be included; and
- (3) there are no other facts bearing on the *issuer's* application for *listing* which, in the *issuer's* opinion, should be disclosed to the *Exchange*.

In the meantime if you have any queries please do not hesitate to contact me.

Yours faithfully,



George Halikiotis
Econ Legal