

Stephanie Young  
Senior Adviser, Listings Compliance (Sydney)  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000

8<sup>th</sup> May, 2013

Dear Stephanie,

In response to your query on 3rd May 2013 we advise as follows:

- 1) No.
  - a) The company traded profitably for the quarter ended 31 March 2013 earning a profit before tax of \$640,000 which meant the profit before tax for the year is \$1,089,000.
  - b) The cash flow is negative for the quarter because of the timing of payments to suppliers is lumpy because of large one-off payments to equipment suppliers which can be up to \$2-3 million for sales of individual items. c) The company has a overdraft facility of \$3 million which amount currently being used has been grouped with cash on hand. If all facilities are drawn and cash used, available cash becomes \$4,299 million.
- 2) See above.
- 3) refer (1) above.
- 4) Yes.
- 5) Quantum is in compliance with listing rule 12.2.

Please don't hesitate to contact me should you require any further clarification.

Yours faithfully



John Walstab  
Company Secretary  
Quantum Energy Limited



ASX Compliance Pty Limited  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

3 May 2013

Telephone 61 2 9227 0000  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

Mr John Walstab  
Company Secretary  
Quantum Energy Limited  
Unit 1A  
207-209 Young Street  
Waterloo NSW 2017

By Email

Dear John

### Quantum Energy Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 March 2013, released to ASX Limited ("ASX") on 29 April 2013 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$8,732,000.
2. Net negative operating cash flows for the quarter of \$932,000.
3. Cash at end of quarter of \$1,299,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than close of business, A.E.S.T. on Wednesday, 8<sup>th</sup> May 2013**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact.

Yours sincerely,

*[Sent electronically without signature]*

Stephanie Yong  
**Senior Adviser, Listings Compliance (Sydney)**