

19 June 2019

Mr E Onyura
Senior Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street, Sydney NSW 2000

Dear Elvis

Response to ASX Price and Volume Query

We refer to your letter dated 18 June 2019 regarding the share price of, and share volumes traded in, Aeris Environmental Ltd (AEI or the Company), and respond to your questions as follows:

1. Is AEI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

Response: The Company is not aware of any information concerning it that has not been previously announced to the market, which, if known, could be an explanation for recent trading in AEI's shares. In the Company's Quarterly Report released on 30 April 2019 AEI commented on a number of key business developments and provided an update to the market on the positive trading outlook for the remainder of the 2018-19 financial year. It is noted that in the second half of April 2019 the Company had a share price around the current levels and there was subsequently a share price retracement from these April 2019 highs. The share price now appears to be consolidating at around the levels reached in April 2019. There are no material deals or contracts currently moving towards closure.

2. If the answer to question 1 is yes:

- a) Is AEI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AEI's securities would suggest to ASX that such information may have ceased to be confidential and therefore AEI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
- b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt.
- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Response: Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that AEI may have for the recent trading in its securities?

Response: AEI is not aware of any other explanation for the price change and increase in volume in the securities of the Company, other than as mentioned in the response to Question 1 above.

4. Please confirm that AEI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

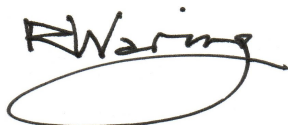
Response: AEI confirms that it is in compliance with the ASX Listing Rules, in particular, Listing Rule 3.1.

5. Please confirm that AEI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AEI with delegated authority from the board to respond to ASX on disclosure matters.

Response: The Company confirms that its responses to the questions above have been authorised and approved in accordance with its published Continuous Disclosure Policy.

Yours sincerely

Aeris Environmental Ltd

A handwritten signature in black ink, appearing to read "RWaring", with a large, sweeping loop underneath.

Robert J Waring
Company Secretary



18 June 2019

Reference: ODIN03452

Mr Robert Waring
Company Secretary
Aeris Environmental Ltd
Level 1
5/26-34 Dunning Avenue
Rosebery NSW 2018

By email

Dear Mr Waring

Aeris Environmental Ltd ('AEI'): Price & Volume Query

We note the change in the price of AEI's securities from a low of 24 cents on 7 June 2019 to a high of 38 cents today, 18 June 2019.

We also note a significant increase in the volume of AEI's securities traded today, 18 June 2019.

Request for Information

In light of this, ASX asks AEI to respond separately to each of the following questions and requests for information:

1. Is AEI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is AEI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AEI's securities would suggest to ASX that such information may have ceased to be confidential and therefore AEI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that AEI may have for the recent trading in its securities?
4. Please confirm that AEI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that AEI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AEI 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEST tomorrow, Wednesday, 19 June 2019**. If we do not have your response by then, ASX will likely suspend trading in AEI'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, AEI'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 Rules 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 AEI'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 AEI'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, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AEI'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*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in AEI's securities under Listing Rule 17.3.

Enquiries

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

Yours sincerely

Elvis Onyura

Senior Adviser, Listings Compliance (Sydney)