

9 March 2015

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Mr Adrian Smythe  
Manager, Listings Compliance  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000  
(By email)

Dear Adrian

**World Reach Limited (ASX:WRR) – Price & Volume Query**

I refer to your letter of 6 March 2015.

Using the numbering contained within your letter, our response is as follows:

1. *Is the Entity 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?*

No.

2. *If the answer to question 1 is “yes”, can an announcement be made immediately?*

Not applicable

3. *If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities*

Noting that substantially increased trading of the Company's securities, and the increase in the Company's share price commenced around 25 February 2015, the Company believes the following to be the major reasons for the recent increase in its share price:

- (a) The Company's Half Yearly Financial Report to 31 December 2014 (H1 Report) was published on 24 February 2015. The Directors' Report and the accompanying financial tables highlighted the Company's improving sales and profit performance, with a profit before tax for the half of \$270,908, following a profit of \$439,449 for the financial year to 30 June 2014.
- (b) The H1 Report also highlighted the Company's significantly improved balance sheet, particularly after the rights issue of August 2014 which raised \$2.4m enabling the Company to retire all interest bearing debt, including all convertible notes.
- (c) On 23 February 2015 the Company announced that its Managing Director and CEO had re-located to the USA to further advance the Company's business development in North America and Europe. We believe the market should have perceived this as a positive announcement in terms of expansion of the Company's existing and prospective business offerings.
- (d) The Company notes that while the percentage increase in its share price from Thursday's closing price is ostensibly substantial, the actual price increment is relatively modest and the volume of shares traded was neither large nor unprecedented.

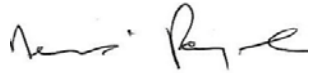
(e) The Company's Directors and management believe that the share price movements up to and on Friday 6 March 2015 to be increasingly reflective of the Company's recent performance, balance sheet profile and growth outlook.

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

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

Please do not hesitate to contact me if you have any further queries.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Dennis Payne', with a stylized flourish at the end.

Dennis Payne  
Company Secretary