

5 February 2010

Mr Darren Collins
Senior Advisers
Issuers & Accounting Policy
Australian Stock Exchange Limited
L45, South Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Sir,

Luminus Systems Limited (“the Company”) Appendix 3Y – Change of Director’s Interest Notice

I refer to your letters of 27 January 2010 regarding the lodgement of Appendix 3Ys for Sal Catalano and myself that were lodged on 20 January 2010.

The due dates for lodgement of these Appendix 3Ys were 7 January 2009. For ease of reference, I have used your numbering system in replying to your queries.

1. Please explain why the Appendix was lodged late.

Appropriate Appendix 4Ys were prepared and provided to myself for lodgement on 4 December 2010.

These notices were not lodged pending confirmation of the issuance of new shares, due to an administrative oversight this confirmation was overlooked. The notices were lodged immediately the confirmation was located.

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

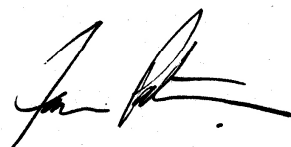
The Company has agreements with its Directors requiring them to notify a third party of any changes to their interests in the Company. The third party prepares appropriate notices.

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 views that its current arrangements are adequate.

The circumstances surrounding the late lodgement of the Notices were unique and unlikely to be repeated. However, so as to build further redundancy into the process communication protocols have been reviewed.

Yours sincerely,



Ian Pattison
Director



ASX Markets Supervision Pty Ltd
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South Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8658
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03 February 2010

Mr Ian Pattison
Company Secretary
Luminus System Limited
Level 4
349 Collins Street
MELBOURNE VIC 3000

By email only

Dear Ian

Luminus Systems Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 20 January 2010 for Mr Ian Pattison;
2. The Appendix 3Y lodged by the Company with ASX on 20 January 2010 for Mr Sal Catalano.
3. 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.
4. 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.

5. 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 listing rules 3.19A and 3.19B.

As the Appendix 3Y indicates that a change in the director's relevant interests occurred on 30 December 2009, it appears that the Director's Notice should have been lodged with ASX by 7 January 2010. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

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 Appendix 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 return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.D.S.T.) on Friday, 5 February 2010.

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

Darren Collins
Senior Adviser, Issuers & Accounting Policy