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30 June 2009

Hendrike Koehler  
Adviser, Issuers (Perth)  
ASX Markets Supervision Pty Ltd  
2 The Esplanade  
Perth WA 6000

By email: [Hendrike.Koehler@asx.com.au](mailto:Hendrike.Koehler@asx.com.au)

Dear Hendrike

**RESPONSE TO ASX QUERY DATED 29 JUNE 2009: APPENDIX 3Y – CHANGE OF DIRECTOR'S INTEREST**

- 1. Please explain why the Appendix 3Y was lodged late.

*The Company notes that each of its directors lodged an updated Appendix 3Y on 26 June 2009. These related to the recently completed rights issue by the Company.*

*Unlike the 3Y for the other directors however the 3Y for Mr Russeth included the additional share transaction on 18 June (as well as under the rights issue) necessitating earlier lodgement of the 3Y for Mr Russeth relative to the remaining directors of the Company.*

*However due to an administrative oversight within the Company, the need for the earlier lodgement was not recognised and only occurred in conjunction with updated filings by other Directors of the Company.*

- 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?

*The relevant information was provided to the Company within the required periods of time however in this instance the additional share transaction (on 18 June 2009) and its implications were not fully recognized by the Company in light of the recently completed rights issue.*

- 3. If the current arrangements are inadequate or not being enforced, what an additional step does the Company intend to take to ensure compliance with listing rule 3.19B?

*The Company considers the current arrangements are adequate and in light of the unusual circumstances, does not consider further steps are required.*

Yours sincerely,

Jamie Taylor  
Company Secretary



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29 June 2009

Jamie Taylor  
 Company Secretary  
 QRSciences holdings Limited  
 8-10 Hamilton Street  
 CANNINGTON WA 6106

*By email: jtaylor@qcctv.com.au*

Dear Jamie

**QRSciences Holdings 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 Limited ("ASX") on 26 June 2009 for Mr Kevin Russeth;
2. 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.

3. 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.

4. 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 listings rules 3.19A and 3.19B.

As the Appendix 3Y indicated that a change occurred on 18 June 2009, it appears that the Appendix 3Y should have been lodged with the ASX within 5 business days of the change of the director's interest. As the Appendix 3Y was lodged on 26 June 2009, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

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:

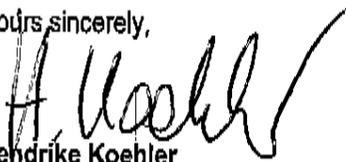
1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what an additional step does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email at [hendrike.koehler@asx.com.au](mailto:hendrike.koehler@asx.com.au) or by facsimile on facsimile number (08) 9221 2020. 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 7.30 a.m. W.D.S.T.) on **Wednesday, 1 July 2009**.

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 on 9224 0015.

Yours sincerely,



Hendrike Koehler

Adviser, Issuers (Perth)