



Avexa Limited  
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14 October 2009

Julia Kagan  
ASX Limited  
Melbourne

By e-mail only

Dear Julia,

### Response to ASX price query

We refer to your email received on Tuesday 13 October 2009 in relation to the increase in the price of Avexa Limited shares and the larger than normal trading volumes. We provide the following response to your queries:

1. Is the company aware of any information concerning it that has not been announced which, if known, could be an explanation for the recent trading in the securities of the company?

*No.*

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

*Not applicable.*

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

*Avexa announced in its Appendix 4C on 31 July 2009 that it held cash reserves of \$18.8million at 30 June 2009 and that these cash reserves would provide sufficient funding for at least 12 months of operations. Consistent with that announcement and with the ASX announcement referred to in point 5 below, Avexa expects its operating loss before abnormal items and income tax for the half year ending 31 December 2009 to be at least 40% less than the loss for the previous corresponding period.*

4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2009? If so, please provide details.

*No.*

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

*No. However, we refer you to the Company's announcement (which was price sensitive) to the ASX on 2 October 2009.*

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company continues to be in compliance with all ASX Listing Rules.

Yours sincerely

Stephen Kerr  
Company Secretary  
Avexa Limited



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13 October 2009

Stephen Kerr  
Avexa Limited  
Richmond

By e-mail only

Dear Stephen

**Avexa Limited (the "Company")**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.13 at the close of trade yesterday, 12 October 2009 to \$0.155 at the close of trade today. We have also noted an increase in the volume of securities traded over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

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.

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 half an hour before the start of trading (ie before 9.30 a.m. Melbourne time) on Wednesday 14 October 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 suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **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 listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – 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.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- 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.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

*Sent by electronic means without signature*

Julia Kagan

**Senior Adviser, Issuers (Melbourne)**