



7 January 2009

Mr Nathan Bartrop
Adviser
ASX Markets Supervision Pty Ltd
Level 8, Exchange Plaza
2 The Esplanade
Perth, Western Australia

RESPONSE TO PRICE AND VOLUME QUERY

I refer to the letter received by GRD Limited (the "Company") on 7 January 2009, entitled Price and Volume Query, regarding the change in price of the Company's securities from 28.5 cents on 6 January 2009 to 49 cents at close on 7 January 2009.

In reference to the numbering of the specific questions raised in that letter, the Company responds as follows:

1. The Company is not aware of any such information.
2. Not applicable.
3. The Company is not aware of any other explanation for the increase in price and volume experienced in the trading of its securities on 7 January 2009, other than the generally strong performance of the Australian equities market today and the recent interest in the market sector of the Company. The increased activity may also be linked to recent announcements made by the Company including:
 - The announcement on 4 December 2008 of the conditional sale of its Global Renewables Eastern Creek waste treatment facility. As reported in that announcement the effective date for the sale is 31 December 2008, and the sale is conditional upon formal approvals being obtained from GRD's financiers and the NSW regulatory authority.
 - The announcement on 22 December 2008 of an initial substantial shareholder notice in the Company by MMC Contrarian Limited.
 - As announced on 30 September 2008 the Company has an involvement in the provision of engineering services for the Sino Iron Ore Projects' processing facility. Our involvement in this Project continues and we note that on 6 January 2009 it was reported that a contract has been signed with CITIC Pacific's Sino Iron Project for the long term supply of gas, following delays in late 2008 with such contracts.

Lastly we note that the global markets have been particularly volatile in recent months, and the Company has seen a significant fall in the price of its securities during this time, e.g.: as recently as three months ago the securities traded at 71 cents.
4. The Company confirms that, having made reasonable enquiries, it remains in compliance with the ASX Listing Rules, including rule 3.1.

Yours sincerely
GRD Limited

SIMON CATER
Company Secretary



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7 January 2009

Mr Simon Cater
 Company Secretary
 GRD Limited
 Level 14
 140 St Georges Terrace
 PERTH WA 6000

By email: simon.cater@grd.com.au

Dear Simon

GRD Limited (the "Company")

RE: PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a low of 28.5 cents on 6 January 2009 to a close of 49 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, 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?
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 other explanation that the Company may have for the price and volume change in the securities of the Company?
4. 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 email at nathan.bartrop@asx.com.au or by facsimile on facsimile number (08) 9221 2020. 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 4:30pm (W.D.S.T) today.**

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,



Nathan Bartrop
Adviser, Issuers (Perth)

Direct Line: (08) 9224 0029