ANADIS
LIMITED

14 October, 2004.

Senior Companies Adviser,
Australian Stock Exchange Limited,
Level 3, 530 Collins Street,
Melbourne. Vic. 3000

By email: dean.litis@asx.com.au

Attention: Mr. Dean Litis

Dear Dean,

We refer to your letter dated 13 October, 2004 re the price of Anadis and the volume of sales on 13 October, 2004.

We note that the price closed at $0.50, a rise of 7.5% on the closing price from the day before and that the trades were conducted through a number of brokers.

In response to the questions you ask we advise the following;

1. No,
2. Not applicable,
3. No,
4. The Board confirms that the Company is in compliance with the Listing Rules.

Anadis Limited

D Woods.

David Woods
Company Secretary

ANADIS LIMITED ABN 80 063 114 045
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13 October 2004

Mr David Woods
Company Secretary
Anadis Limited
4 Capital Link Drive
Cambellfield VIC 3061

By e-mail only: david.w@anadis.com.au

Dear David

Anadis Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from $0.465 at close of trading on Tuesday 12 October 2004 to a high of $0.52 today. We have also noted an increase in the volume of trading in the securities 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?

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 change and increase in volume 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 e-mail at dean.litis@asx.com.au or by facsimile on **facsimile number (03) 9614 0303.** It should <u>not</u> 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.** E.S.T.) **on** , Thursday 14 October 2004).

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 faithfully,

Dean Litis
Senior Companies Adviser

Direct Line: (03) 9617 8658