CMI Limited ABN 98 050 542 553
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Telephone: (07) 3004 8188 Facsimile: (07) 3004 8180
Email: corporate@cmilimited.com.au Web: www.cmilimited.com.au

26 June 2006

Mr Simon O'Brien
Companies Adviser
Australian Stock Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane Qld 4000

By Facsimile: (07) 3832 4114

Dear Mr O'Brien

Re: Price Query – CMI Limited

In response to your Price Query regarding CMI Limited dated 23 June 2006, we respond as follows:

1. CMI Limited is not 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. Not applicable.

3. CMI Limited is currently not aware of any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2006 would vary from the previous financial year by more than 15%. This statement is based on year to date unaudited management results.

4. At this time, there is no reason to think that CMI Limited may record any material abnormal or extraordinary profit for the financial year ended 30 June 2006. This statement is based on year to date unaudited management results.

5. CMI Limited is aware of the general market sentiment within the automotive industry in recent months that may have caused the price change in the securities of the company.

6. CMI Limited is in compliance with the ASX listing rules and, in particular, listing rule 3.1.

Yours sincerely,

Mark Laidlaw

Max Hofmeister
Executive Chairman

Mark Laidlaw
Company Secretary

ASX
AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited
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23 June 2006

Mr Mark Laidlaw
Company Secretary
CMI Limited
Level 4, 240 Margaret Street
BRISBANE QLD 4001

By Email: markml@cmilimited.com.au

Dear Mr Laidlaw

CMI Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a high of $1.12 on Friday, 16 June 2006 to a low of 97.5 cents today.

In light of the price 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 reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2006 would vary from the previous financial year 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 profit for the financial year year ended 30 June 2006? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change 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 e-mail at simon.obrien@asx.com.au or by facsimile on **facsimile number (07) 3832 4114**. 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 Monday, 26 June 2006**).

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.

Simon O'Brien
Adviser, Issuers (Brisbane)