4 July 2013

Mr Elvis Onyura
Senior Adviser
Listings Compliance (Sydney)
ASX Compliance
20 Bridge Street
Sydney NSW 2000

By e-mail: elvis.onyura@asx.com.au

Dear Mr Onyura,

Response to ASX Price Query

We refer to your letter dated 3 July 2013 regarding the above and respond to your questions as follows:

1. Is the entity aware of any information concerning it that has not been released to the market which, if known by some in the market, could explain the recent trading in its securities?

   Response: The Company 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. 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?

   Response: Not applicable.

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?

   Response: On 6 May 2013 the Company released an Investor Presentation to the ASX which was used to present to a range of current and potential investors at meetings in New York, Sydney and Melbourne held in May and June 2013. In addition, on 17 June 2013 Shaw Stockbroking resumed coverage of Nanosonics Limited releasing a report on the Company with a Buy rating and target price of 90 cps. Finally, recently there have been a number of media articles published referring to Nanosonics, including an article in the Australian Financial Review on 27 June 2013 titled 'Five emerging health stocks to watch'. Other than the aforementioned, the Company is not aware of any explanation for the price change and increase in volume in the securities in the Company.

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

   Response: Nanosonics Limited confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely,

McGregor Grant
Chief Financial Officer & Company Secretary
Nanosonics Limited

ASX Compliance
ABN 26 087 780 489
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Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215
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3 July 2013

Mr McGregor Grant
Chief Financial Officer & Company Secretary
Nanosonics Limited
24/566 Gardeners Road
Alexandria NSW 2015

By Email

Dear Mr Grant,

NANOSONICS LIMITED (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a low of 58.5 cents on Friday, 28 June 2013 to an intraday high of 71 cents at the time of writing today, Wednesday, 3 July 2013. 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?

   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 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 elvis.onyura@asx.com.au. It should not be sent to ASX Market Announcements.

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 9.30 am AEST tomorrow, Thursday, 4 July 2013.

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 electronically without signature]

Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)