Commercial in Confidence

technologyone
business software solutions

30 January 20009

Mr Patrick O'Connor

Adviser, Issuers

Australian Securities Exchange

Brisbane

By email: patrick.oconnor@asx.com.au

Dear Patrick

Re: Appendix 3X – Initial Director's Interest Notice

We refer to your letter dated 28 January 2009, and respond as follows:

1. The Appendix 3X was incorrectly lodged due to our misunderstanding of the term 'notifiable interest'. Although the Director held Options in the company at the time of his appointment, this was not disclosed because we did not understand this to be a 'notifiable interest'. We have now corrected our procedures for dealing with this area.

2. The Company has a Director's induction procedure to ensure it meets its disclosure obligations.

3. The Company has reviewed its Director's induction procedure to ensure that this does not happen again.

Yours faithfully

DAVID ORCHARD

Company Secretary

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28 January 2009

Mr David Orchard
Chief Financial Officer and Company Secretary
Technology One Limited
67 High Street
TOOWONG QLD 4 066

Email transmission: david_orchard@technologyonecorp.com

Dear Mr Orchard,

Technology One Limited (the "Company")
Appendix 3X Initial Director's Interest Notice

We refer to the following;

1. The Appendix 3X lodged by the Company with ASX on Wednesday, 28 January 2009 (the "Second Appendix 3X") for Edward James Chung, which replaced the Appendix 3Y lodged by the Company on Friday, 16 May 2008 (the "First Appendix 3X");

2. Listing rule 3.19A which requires an entity to tell ASX the following:

   3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
   - On the date that the entity is admitted to the official list.
   - On the date that a director is appointed.

   The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

   3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

   3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

   An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

Mr Chung was appointed as a director on Wednesday, 14 May 2008 and as a result of Mr Chung's appointment the First Appendix 3X was lodged on Friday, 16 May 2008 indicating that Mr Chung had nil relevant interests in the securities of the Company. The Second Appendix 3X indicates that at the time of Mr Chung's appointment he did in fact have a relevant interest in the securities of the Company and consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the First Appendix 3X was incorrectly completed.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rules 3.19A?

3 If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to Patrick O'Connor by e-mail at patrick.oconnor@asx.com.au or by facsimile on facsimile number (07) 3832 4114. It should **not** be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. E.D.S.T.) (8.30am Brisbane time) on Friday, 30 January 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 form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,

Pat O'L

Patrick O'Connor
Adviser, Issuers (Brisbane)