TOWER

31 March 2006

Eve Roberts
Adviser, Issuers (Sydney)
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
Sydney
AUSTRALIA

By Email: eve.roberts@asx.com.au

Dear Eve

TOWER LIMITED PRICE QUERY

I refer to your letter of 30 March 2006 seeking responses to your questions on the recent price change in TOWER shares.

I respond below in the order of your questions:

1. TOWER is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in its securities.

2. Not applicable.

3. TOWER does not have information on the operating profit of the company for the six months period to 31 March 2006 but when that information is available, if there is a material variation to the previous corresponding period, TOWER will immediately advise the market.

4. There is no reason to think that TOWER may record any material abnormal or extraordinary profit for the half year ended 31 March 2006.

5. Some external factors such as the fall in the New Zealand dollar and the release of the latest Australian life insurance market statistics by Plan for Life showing continued strong growth from TOWER and also the combined TOWER/PrefSure business may be affecting market sentiment towards TOWER. Also, analysis we have done shows that TOWER's recent share price movement is essentially a catch up on the performance of our sector peers over the past three months (refer attached chart.)

6. I confirm that TOWER Limited is in compliance with the listing rules and, in particular, listing rule 3.1.

Please contact me if you require any further information.

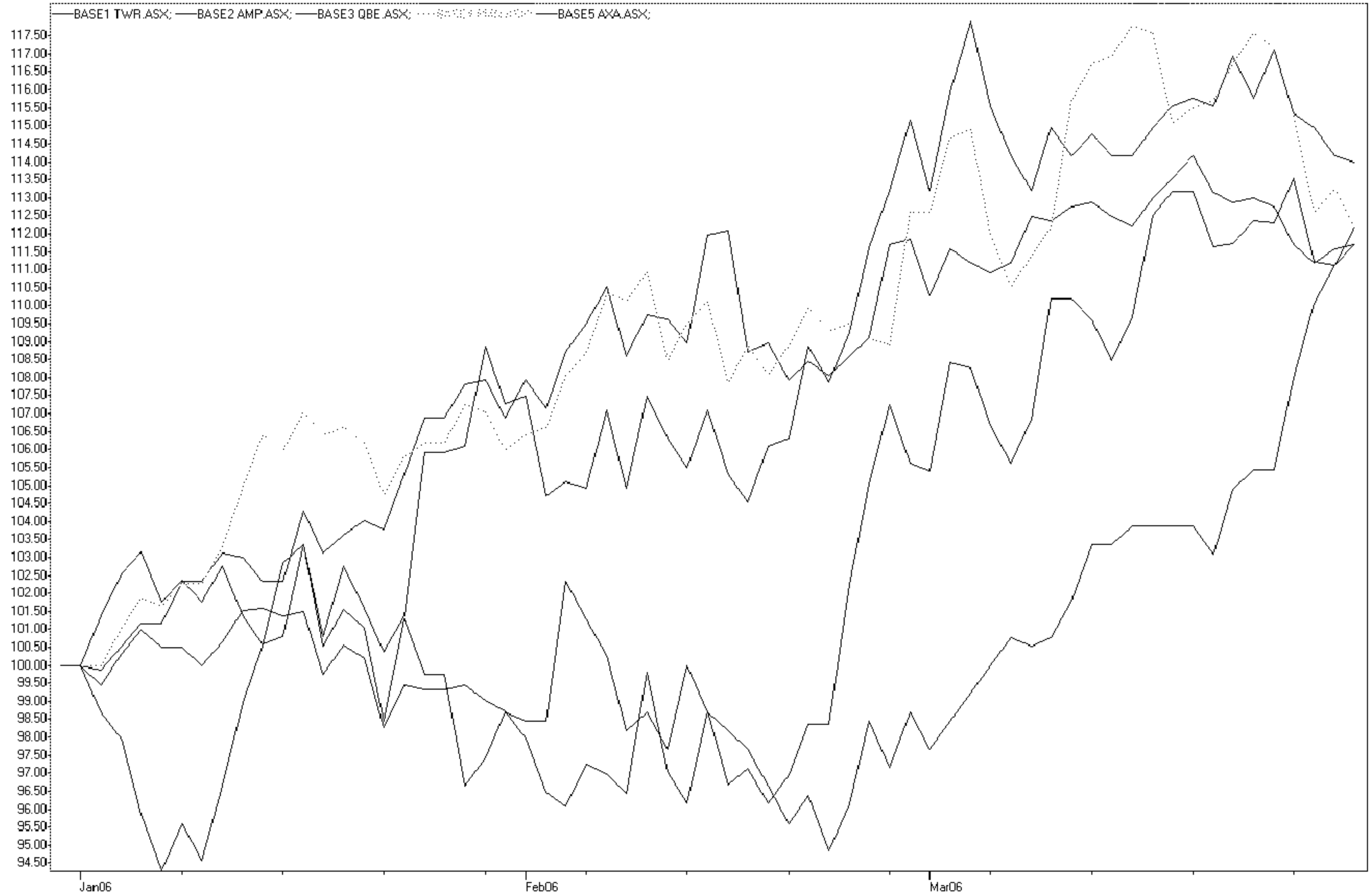
Yours sincerely

P. E. Ellis

Philippa Ellis
GM INVESTOR RELATIONS & CORPORATE SERVICES

<u>TWR share price movement over the 3 month to 30 March 2006 relative to its peers [AMP, AXA, QBE, PMN]</u>

TWR's share price movement in recent weeks has essentially been a catch up on the performance of its sector peers. All are now performing in line with each other when measured over the last 3 months as the chart below highlights. Specifically TWR's increase of 12.1% is matched by AMP (11.7%), AXA (14%), QBE (11.7%) and PMN (12.2%).



ASX

AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited
ABN 98 008 624 691
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square
NSW 1215

Telephone 61 (02) 9227 0892
Facsimile 61 (02) 9241 7620
Internet http://www.asx.com.au
DX 10427 Stock Exchange Sydney

30 March 2006

Philippa Ellis
Company Secretary
TOWER Limited
Level11, TOWER Centre
22 Fanshawe Street
Auckland
New Zealand

By Email: philippa.ellis@towerlimited.com

Dear Philippa

TOWER Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from the closing price of $1.995 on 21 March 2006 to a price of $2.18 at the time of writing 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 half year ended 31 March 2006 would vary from the previous half 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 half year year ended 31 March 2006? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change and increase in volume 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 eve.roberts@asx.com.au or by facsimile on **facsimile number (02) 9241 7620.** 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 half an hour before the start of trading (ie **before 9.30 a.m.** E.D.S.T.) **on Friday, 31 March 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.

Yours sincerely,

ERoberts

Eve Roberts
Adviser, Issuers (Sydney)
Direct Line: (02) 9227 0892