

AMMTEC LIMITED

A.C.N. 063 332 516
A.B.N. 40 396 637 656

**AMMTEC**

6 MacAdam Place, Balcatta
Western Australia 6021
Telephone: (08) 9344 2416
Fax: (08) 9345 4688
E-mail: manager@ammtec.com.au

Kerrie Papamihail
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

23 January 2009

Dear Kerrie

AMMTEC LIMITED – PRICE QUERY

In reply to your fax dated 23 January 2009 regarding the change in the price of Ammtec's securities and the increase in the volume of trading since 19 January 2009 we advise as follows:

1. Between 19 and 23 January, Ammtec was not aware of any information that would provide an explanation for the volume and price of the trading during that period.

The following information is provided to support this.

The financial report for the half-year ended 31 December 2008 has just been completed and is currently undergoing review by KPMG, the initial clearance meeting is scheduled for 10 February 2009. The unaudited results for the HYDec08 are higher than the actual results for the corresponding HYDec07. They are equal to the results for the HYDec07 after adjustment to allow for the appropriate contribution from the subsidiary acquired in Feb08.

During the HYDec08, the Company incurred one off costs associated with the anticipated sale of PSI and other corporate actions that did not eventuate. These costs will not recur in the second half to 30 June 2009.

We have provided guidance for the FY09, but have not provided details of the mix between the first and second half of the financial year and traditionally Ammtec's results for the second half to June have been much stronger than those for the first half to December.

The Managing Director and myself had received several shareholder enquires regarding the results during the week to 23 January and we have advised that the scheduled release date is 20 February 2009. Neither of us disclosed any information on the results for the HYDec08 or a comparison to the FY09 guidance. Similarly when asked to comment on the dividend, we advised that this was a matter for the Board and would be decided at the Board meeting on 19 February 2009.

The difficult economic conditions and falling commodity prices have affected the mining sector and this will no doubt have a flow on effect to Ammtec. At this time we still hold a firm order book and should all of the anticipated work proceed, the results for the second half will be strong.

AMMTEC LIMITED

A.C.N. 063 332 516
A.B.N. 40 396 637 856

**AMMTEC**

6 MacAdam Place, Balcatta
Western Australia 6021
Telephone: (08) 9344 2416
Fax: (08) 9345 4688
E-mail: manager@ammtec.com.au

Revised forecasts based on the current economic conditions and the expected impact on Ammtec's FY09 results were in the process of being completed including a review of the order book to confirm start dates for committed work in order to gain more comfort on the projections for the second half to 30 June 2009.

The sharp decrease in the share price has necessitated a trading halt so that this process could be expedited in order to notify the market on 27 January 2009.

2. An announcement of the unaudited results for 31 December 2008 and revised guidance for FY09 is attached. This will be released today, being 27 January 2009.
3. We do not have any explanation for the increase in volume and significant reduction in price during the 5 day period. We have contacted the institutional investors on our register and brokers that support Ammtec to determine who has been trading but have been unable to confirm the sellers. The trading is from a number of brokers and potentially unrelated parties. As detailed above, we do not believe any information was available that would lead to this position, other than general sentiment for the mining sector and mining service stocks.
4. During the period in question, we believe that the Company was in compliance with the listing rules and particularly listing rule 3.1. As explained above, the volume and price of the share trading last week has necessitated a conservative revision of the HY09 guidance, whereas up until that point, we believed that the Company was likely to achieve the original guidance.

We trust this satisfies the ASX's queries and should further information be required please contact me.

Yours faithfully

SHARYN LONG
Company Secretary



RECEIVED
By facsimile: 9345 4688

23 January 2009

Sharyn Long
Company Secretary
Ammtec Limited
6 MacAdam Place
BALCATTA WA 6021

URGENT

ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0656
Facsimile 61 2 9241 7620
www.asx.com.au

Dear Sharyn

Ammtec Limited (the "Company") RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$1.95 on 19 January 2009 to \$1.33 today. We have also noticed 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 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 kerrie.papamihail@asx.com.au or by facsimile on facsimile number 08 9221 2020. 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 11:00 a.m. W.D.S.T today.**

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.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

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

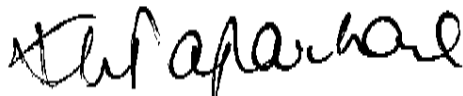
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the 's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading 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



Kerrie Papamihail
Assistant Manager, Issuers (Perth)