Community Life

Providing quality affordable community living

Community Life Limited
ABN 38 104 475 345

Level 6, 28 Clarke Street
Crows Nest NSW 2065
Australia

telephone 02 9432 3999
facsimile 02 9460 9888
free call 1800 285 262

5 September 2005

Mr. Adrian Smythe
Senior Companies Adviser
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By Facsimile: (02) 9241 7620

Dear Adrian,

RE: PRICE QUERY

In response to your facsimile dated 5 September 2005 regarding the increase in the price of the Company's securities today we would like to confirm that:

1. 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. The Company's Annual Report 2005 was released on 19 August 2005. This may be the reason that the price change and increase in volume in the securities of the Company.
3. We confirm that the company is in compliance with the listing rules and, in particular, listing rule 3.1.
4. The Company's Annual Report was released on 19 August 2005. We will also lodge Appendix 4E Preliminary Final Report later today to satisfy listing rule 17.5.

I hope that you will be fully satisfied with the above.

Yours truly,

Henry Kam
Company Secretary

info@communitylife.com.au
www.communitylife.com.au

ASX
AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited
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DX 10427 Stock Exchange Sydney

5 September 2005

Henry Kam
Company Secretary
Community Life Limited
Level 6
28 Clarke Street
Crows Nest NSW 2065

By Facsimile: (02) 9460 9888

Dear Henry

Community Life Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of $0.23 on 29 August 2005 to an opening price of $0.32 today. 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?

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 adrian.smythe@asx.com.au or by facsimile on **facsimile number (02) 9241 7620.** 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** Tuesday, 6 September 2005.

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,

A. Smythe

Adrian Smythe
Senior Companies Adviser

Direct Line: (02) 9227 0640