



5 April 2006

VIA FACSIMILE:  
+61 (8) 9221 2020

Ms. Narissa Taylor  
Adviser, Issuers (Perth)  
Australian Stock Exchange Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Dear Ms. Taylor,

**ADVANCED NANOTECHNOLOGY LIMITED – PRICE AND VOLUME QUERY**

We set out below our response to the questions contained in your letter dated 5 April 2006:

- 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?*

Advanced Nanotechnology Limited (“ANO”) is not aware of any information which has not been announced which would explain the recent trading in ANO’s securities.

- 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?*

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?*

Other than we understand an existing shareholder accounted for a substantial portion of the volume of trading in ANO’s securities today, ANO is not aware of any other explanation for the price change and the increase in volume in the securities of ANO.

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

ANO hereby confirms that it is in compliance with the listing rules, including listing rule 3.1.

Yours sincerely

Deana Cesari  
Company Secretary

**ASX**

AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited  
ABN 98 008 624 691  
Level 9  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 (08) 9224 0023  
Facsimile 61 (08) 9221 2020  
Internet <http://www.asx.com.au>

5 April 2006

Ms Deana Cesari  
Company Secretary  
Advanced Nanotechnology Limited  
108 Radium Street  
WELSHPOOL WA 6106

By Facsimile: 9458 0810

Dear Deana

Advanced Nanotechnology Limited (the "Company")

### PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from \$0.12 on 4 April 2006 to \$0.17 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 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 half an hour before the start of trading (ie before 9.30 a.m. E.S.T.) on Thursday, 6 April 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

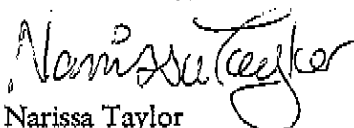
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading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



Narissa Taylor  
Adviser, Issuers (Perth)



Advanced Nanotechnology Limited  
ACN: 079 845 855  
108 Radium Street  
Welshpool WA 6108  
AUSTRALIA  
Tel: +61 (8) 9458 0800  
Fax: +61 (8) 9348 0810

# FAX

**Date:** 5 April 2006

**To:** Narissa Taylor  
**Company:** Australian Stock Exchange Limited  
**Phone No:** +61 (8) 9224 0023  
**Fax No:** +61 (8) 9221 2020

**From:** Deana Cesari  
**Position:** Company Secretary  
**Phone No:** +61 (8) 9458 0813  
**Fax No:** +61 (8) 9458 0808

**Subject:** Price and Volume Query

**No. Pages:** 2

**Message:**

Please refer to following letter.