

2 January 2007

Mr Ken Stonehouse
Company Secretary
Rattoon Holdings Limited

By facsimile: +61 3 9642 8025

Dear Mr Stonehouse,

Rattoon Holdings Limited (the "Company")
Query on Media Article

We have noted an article in the Australian Financial Review dated 2 January 2007, page 34, Street Talk section. In summary the article talks about a delay in the Company's share purchase plan and negotiations with ASX and ASIC. The last announcement NSX received on this topic was dated 1st December 2006 stating that it was planning to under take a share purchase plan (<http://www.newsx.com.au/ftp/news/021718436.PDF>).

Please be reminded that the Company, as a listed entity, must comply with Chapter 6CA of the Corporations Act and NSX Listing Rules Section IIA 6.4, 6.5 and 6.5A under continuous disclosure.

In light of this media article please respond to the following questions.

1. Why has the company not released this information to the NSX?
2. Can an announcement be made immediately to the NSX concerning the above article? If not, why not and when is it expected that an announcement will be made?

Please note, if 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. What remedial action will the Company employ in future so that information is released to the NSX market first and on a timely basis rather than in the media?
4. In other respects, please confirm that the company is in compliance with the listing rules and, in particular, listing rule 6.4?

Your response should be directed to Scott Evans, General Manager, no later than 4pm on Thursday 4th January 2007. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Listing Rule 6.4

The NSX continuous disclosure rule states:

Generally, and apart from compliance with all the specific requirements, the *issuer* shall keep the Exchange informed without delay, for dissemination of any information relating to the *group* of which it is aware that:

- (1) is necessary to enable the Exchange and the public to appraise the financial position of the *issuer* and the *group*;
- (2) is necessary to avoid the establishment of a false market in its *securities*; or
- (3) a reasonable *person* would expect to have a material effect on the price or value of its *securities*.

Such information must be made available to the Exchange before the time at which any other public announcement of the information is made.

These provisions will be breached by an *issuer* who intentionally, recklessly or negligently fails to notify the Exchange of information that:

- (a) is not generally available; and
- (b) a reasonable person would expect, if it were generally available, to have a material effect on the price or value of its *securities*.

Trading Halts

If the Company is unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, the Company should consider a request for a trading halt in the Company's securities. The request may be writing. The NSX is not bound to act upon the request.

In your request please include the following information:

- a. The reasons for the trading halt
- b. How long you want the halt to last
- c. The event you expect to happen that will end the trading halt
- d. That you are not aware of any reason why the trading halt should not be granted
- e. Any other information necessary to support your request.

Conditions for the trading halt:

87.1 A trading halt may be imposed by the Exchange if:

- (a) the Exchange releases an announcement in relation to an Issuer which, in the opinion of the Exchange, is market sensitive; or
- (b) an Issuer requests a trading halt and the Exchange agrees to impose a trading halt.

87.2 Securities subject to a trading halt will be placed into Pre-Opening Phase. However, if the trading halt is imposed after the end of Closing Phase, the Securities subject to a trading halt will be placed into Pre-Opening Phase the next Trading Day.

- 87.3 Securities subject to a trading halt must not be traded (including by way of Crossings and Special Crossings) during the period of the trading halt, regardless of whether the Securities have been placed into Pre-Opening Phase.
- 87.4 A trading halt will end at the earlier of:
- (a) the time announced by the Exchange that the trading halt will end (and the Exchange will provide at least ten minutes notice before the end of the trading halt); or
 - (b) the commencement of Normal Trading on the second Trading Day after the day the trading halt is imposed.
- 87.5 When a trading halt ends, the Securities will be placed in the phase applying to the market as a whole unless the Exchange decides otherwise.

If a trading halt is requested and granted and the Company is still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by the NSX from the commencement of trading if not previously requested by the Company. The same applies if the Company has requested a trading halt because the Company is unable to release information to the market, and the Company is still unable to do so before the commencement of trading.

If you have any questions regarding any of the above please do not hesitate to contact me.

Yours Sincerely

Scott Evans
General Manager

RATTOON

H o l d i n g s L i m i t e d

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3 January 2007

Mr Scott Evans
General Manager
National Stock Exchange of Australia

By Facsimile: 61 2 4929 1556

Dear Mr Evans,

Re: Query on Media Article (AFR 2/1/07)

I reply to your letter of 2 January 2007.

The AFR article referred to Rattoon's Share Purchase Plan (SPP) being delayed and you requested Rattoon advise as to why it had not informed the NSX of such delay. Rattoon has not as yet issued a timetable for the SPP but merely advised the market on December 1, 2006 that an SPP would occur and that details would be "released shortly".

As stated in our 1 December announcement, the SPP is in conjunction with a proposed ASX listing and when more certainty is known in regards that timetable, the Company will release further details of the listing and the SPP. That announcement also advised that shareholders registered at December 20, 2006 would be eligible to participate in the SPP. Subject to the finalisation of the SPP offer and timetable, this date may need to be revised.

In direct response to the questions in your correspondence, I advise:

1. The Company does not have any new information on the SPP to release to the market at this time.
2. Release of this letter to the market should satisfy any confusion caused by the AFR article.
3. The Company is fully aware of its NSX disclosure obligations and is of the opinion that all obligations have been met.
4. I confirm that the Company is in compliance with all of the NSX Listing Rules, except where exemptions have been granted.

Yours Sincerely



KEN STONEHOUSE
Company Secretary