

24 January 2012

Scott Evans
General Manager
National Stock Exchange of Australia
Level 2
117 Scott Street
Newcastle NSW 2300

Dear Sir

RE Price Query

We refer to your letter of 23 January, 2012, the contents of which are noted. The increase in the share price of the Company's listed securities is noted. In respect to the matters contained therein we advise as follows:-

1. The Company is not aware of any price information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company including but not limited to financial results, material litigation, material contracts, material leases, change in senior staff, directors or management or any other price sensitive activity.
2. As a consequence of item 1 above the company does not propose to make any announcement or request any trading halt in regard thereto.
3. The Company and its directors and officers are aware of and are in compliance with the listing rules and in particular its continuing disclosure obligations in listing rule 6.4.

The Directors of IQNovate remain fully committed to the success of the company within the framework of the obligations and responsibilities imposed by the listing rules and the corporate governance policies established by the company.

Please do not hesitate to contact us with any more questions

Regards

Spiro Sakiris

Company Secretary