



ASX

AUSTRALIAN STOCK EXCHANGE

Facsimile

To	Company Announcements Office
Fax number	1300 135 634
From	Companies, Adelaide
Date	4/10/06.
Subject	FOR MARKET RELEASE
Number of pages	3 (including this page)

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 1
89 King William Street
Adelaide SA 5000

GPO Box 547
Adelaide SA 5001

Telephone 61 8 8216 5000
Facsimile 61 8 8216 5099
Internet <http://www.asx.com.au>

THE FOLLOWING ANNOUNCEMENT IS FOR RELEASE TO THE MARKET
UNDER ASX LISTING ENTITY CODE:

ELX.



82 Gilbert Street
Adelaide SA, 5000 Australia
ellex.com
T +61 8 8104 5200
P +61 8 8221 5651

HOELRSX 4OCT06 9:12

4 October 2006

Mr J Nelson
Australian Stock Exchange
Level 1
89 King William Street
Adelaide SA 5000

By facsimile: 08 8216 5099

Dear Justin

Re: Price Query - Ellex Medical Lasers Limited

Further to your letter dated 3 October 2006 we respond as follows:

1. No
2. Not applicable
3. The company issued an announcement on 3 October 2006 relating to the completion of acquisition of Coherent Lasers (Aust) Pty Ltd and the commencement of our direct sales operation in Australia. The company initially announced this intention on 21 August 2006 and stated that it expected to complete the transaction by the end of September.

Other than this announcement we have no other explanation for the price change or increase in volume.

4. We confirm that we are in compliance with Listing Rules and in particular listing rule 3.1.

Yours sincerely
Ellex Medical Lasers Limited

Kevin McGuinness
Company Secretary

**ASX**

AUSTRALIAN STOCK EXCHANGE

3 October 2006

Mr Kevin McGuinness
Company Secretary
Ellex Medical Lasers Limited
82 Gilbert Street
Adelaide SA 5000

Australian Stock Exchange Limited
ABN 98 008 624 591
Level 1
89 King William Street
Adelaide SA 5000

GPO Box 547
Adelaide SA 5001

Telephone 61 (08) 8216 5000
Facsimile 61 (08) 8216 5099
Internet <http://www.asx.com.au>

By Facsimile: 8104 5210

Dear Mr McGuinness,

Ellex Medical Lasers Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of 69 cents on 27 September 2006 to a high of 89 cents 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 Justin.Nelson@asx.com.au or by facsimile on facsimile number (08) 8216 5099. 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 Wednesday, 4 October 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,


Justin Nelson
Manager, Issuers (Adelaide)

Direct Line: (08) 8216 5026