



ACN: 102 456 048

Mr Gonzalo Valencia
Adviser, Issuers (Melbourne)
ASX Limited
525 Collins St
Melbourne Vic 3000

Dear Sir,

I refer to your letter of 3 November 2006 in relation to the increase in the price of Dia-B Tech Limited's shares and the increase in the volume of trading and answer your queries as follows:

1. No.

However as announced previously to the market, the Company's major project ISF402 is proceeding through the Ethics approval process and is expected to proceed to human trials in November 2006. This was announced on 31 August 2006, and been the reason for the Company's recent capital raisings announcements of 1 September 2006 and 27 September 2006.

In respect of other projects, the Board is aware that a collaborative partner has recently lodged a Provisional Patent Application in the USA in relation to the IM014 project. The Board does not consider this as price sensitive information as the discovery has been previously disclosed to the market. The CDA1 project continues to meet milestones.

It is expected that a full update to the market on all projects will be available by the time of the Company's Annual General Meeting on 14 November 2006.

2. Not Applicable.

3. No.

4. We confirm that Dia-b Tech Limited continues to comply with all ASX Listing Rules.

Yours sincerely
Dia-B Tech Limited

Ken A Smith
CEO / Company Secretary

6 November 2006



3 November 2006

Mr Ken Smith
Dia-B Tech Limited
Suite 1.03A, Level 1
737 Burwood Road
Hawthorn VIC 3122

by email : ken@dia-btech.com.au

Dear Ken,

Dia-B Tech limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 5.5 cents at the close of trading yesterday to a high of 7.5 cents today.

In light of the price change, 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 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 gonzalo.valencia@asx.com.au or by facsimile on facsimile number 03 9614 0303. 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.EDST) on Monday, 6 November 2006).

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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,

Sent by electronic means without signature

Gonzalo Valencia
Adviser, Issuers (Melbourne)