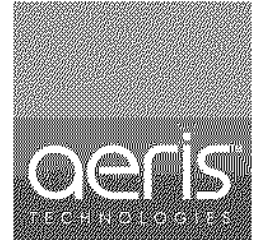


Mr Johnathon Matthews
Adviser, Issuers
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge St
Sydney NSW 2000



Aeris Technologies Ltd
ABN: 19 093 977 336
Level 1, 5/26-34 Dunning Ave
Rosebery NSW 2018

Tel: 1300 557 481
Tel: +61 2 8344 1315
Fax: +61 2 9697 0944
Web: www.aeris.com.au

20th December, 2005

Dear Johnathon,

Aeris Technologies Ltd ("The Company") – Price Query

I refer to your letter dated 19th December, 2005 and provide the following responses to the questions raised:

1. The Company is not 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. Not applicable.
3. It is not anticipated that there will be a change in the operating profit before abnormal items and income tax so that the figure for the half year period ending 31st December, 2005 would vary from the previous year by more than 15%.
4. It is not anticipated that the Company will record any material abnormal or extraordinary profit for the half year ending 31st December, 2005.
5. The Company is not aware of any specific explanation for the recent unexpected price and volume movements.

The Company's most recent announcements include details of two new commercialisation projects with the CSIRO and the formation of a new subsidiary, Aeris Biological Systems, which will concentrate on the large global opportunities in the water treatment market.

6. The Company confirms that, to the best of its knowledge and belief, it is in compliance with the listing rules and, in particular, listing rule 3.1.

Kind Regards,

A handwritten signature in black ink, appearing to read "Huw Jones".

Huw Jones
Chief Executive Officer



19 December 2005

Mr Huw Jones
Chief Executive Officer
Aeris Technologies Limited
Level 1
5/26-34 Dunning Avenue
Rosebury NSW 2018

By email: hjones@aeris.com.au

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Facsimile 61 (02) 9227 7620
Internet <http://www.asx.com.au>
DX 10427 Stock Exchange Sydney

Dear Huw

Aeris Technologies Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of \$0.65 on Friday, 16 December 2005 to \$0.58 at the time of writing 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 reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year period ending 31 December 2005 would vary from the previous year by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the half year ending 31 December 2005? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. 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 johnathon.matthews@asx.com.au or by facsimile on facsimile number (02) 9227 7620. 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.D.S.T.) on Tuesday, 20 December 2005.

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,

A handwritten signature in black ink, appearing to read 'Johnathon Matthews', written in a cursive style.

Johnathon Matthews
Adviser, Issuers (Sydney)

Direct Line: (02) 9227 0656