



MatrixView

20 June 2006

Mr Stephen Small
Senior Companies Advisor
ASX

By email

Dear Stephen

**Response to price query
MatrixView Limited (ASX:MVU)**

I refer to the ASX's price query letter dated 19 June 2006.

The company's response is as follows:

1. The company is not aware of any information which, if known to the market, could be an explanation for the recent trading in securities.

As you know from your discussions with Scott Munro, the directors have prepared an update to the company's recent activities following the board and management restructure. This has been released to the market by the company today.

As ASX is aware, a significant parcel of shares is due to come out of restriction shortly. It is possible that some of the recent selling may be in response to this issue. For ASX's information, the board has initiated discussions with holders of these restricted securities with a view to reaching agreement regarding voluntary escrow arrangements.

2. N/A.
3. The Company's loss for the Financial Year ending June 2005 was \$3,479,085. For the six months ending December 2006 the Company's net loss was \$3,377,790. Directors have explained in their half year release that this increase resulted from increased research and development costs and delays in revenue.

The release also explained that losses in the second half are expected to be similar to those incurred in the first half. Our release of earlier today indicated strongly that the Company does not foresee immediate

revenues from any of the projects and initiatives outlined therein which will materially impact the 2006 result.

4. No.
5. The company notes that the recent share trading has been on very low volumes. It knows of no reason why there has been a decrease in the share price.
6. We confirm that the company is in compliance with the Listing Rules, and in particular Listing Rule 3.1.

Yours sincerely

Noel Robertson
Managing Director and CEO

**ASX**

AUSTRALIAN STOCK EXCHANGE

19 June 2006

Scott Munro
Matrixview Limited
83 Palmerston Crescent
South Melbourne VIC 3205

By email: smunro@munrolegal.com.au

Dear Scott,

Matrixview Limited (the "Company")**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from a close of \$0.47 on 16 June 2006 to \$0.40 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 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 full year ended 30 June 2006 would vary from the previous corresponding 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 year ended 30 June 2006? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change 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 stephen.small@asx.com.au or by facsimile on facsimile number 02 9241 7620. It should not be sent to the Company Announcements Office.

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Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square
NSW 1215

Telephone 61 02 9227 0441
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Internet <http://www.asx.com.au>
DX 10427 Stock Exchange Sydney

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, 21 June 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,



Stephen Small
Senior Companies Advisor

Direct Line: 02 9227 0441