



9 February 2005

Christine Panetta
Senior Advisor, Issuers
Australian Stock Exchange Limited
Level 8, Exchange Plaza, 2 The Esplanade
Perth WA 6000

Dear Christine,

Solco Limited

The following letter provides Solco's formal response to your letter to Solco of 9 February 2006.

1. The good news referred to in the statement is the expectation of signing a formal agreement with a substantial financial institution for the provision of an innovative finance package to improve sales of our extended product range through our recently announced expanded national dealer network.
2. We expect the final agreement to be signed in the next four weeks.
3. The market was informed of this activity to the extent that it is relevant on page three of our Corporate File update dated 14 December 2005.
4. The company is in compliance with listing rule 3.1 and 15.7.

Please contact me immediately if you require any additional information.

Yours faithfully,

Duncan Stone

**ASX**

AUSTRALIAN STOCK EXCHANGE

9 February 2006

Mr Duncan Stone
Managing Director
Solco Limited
PO Box 37
WELSHPOOL WA 6986

By facsimile: (08) 9334 8199

Dear Sir

Solco Limited (the "Company")

It has come to our attention that the following statement (the "Statement") was made by yourself to a shareholder on 2 February 2006:

"We have some good news coming in the following month and believe the share price will rapidly rise".

In the interests of maintaining a fair and well-informed market, Australian Stock Exchange Limited ("ASX") requests that the Company respond to the following questions in relation to the Statement:

1. What is the "good news" referred to in the Statement?
2. When does the Company expect to be able to announce the "good news" referred in the Statement to the market?
3. Please confirm that the market is fully informed in relation to the "good news".

If not, 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).

4. Please confirm that the Company is in compliance with the listing rules and in particular listing rule 3.1 and 15.7.

Your response should be sent to me on facsimile number (08) 9221 2020. 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 the close of business (ie before 5.00 p.m. (W.S.T.) today, 9 February 2006.

ASX reserves the right to release your response to the market. If you have any concern about release of a response, please contact me immediately.

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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 the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1" (Guidance Note 8). In particular, see paragraphs 22 to 25 for discussion on listing rule 3.1 and 15.7.

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 the guidance note titled "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 faithfully



Christine Panetta
Senior Adviser, Issuers

Direct Line: (08) 9224 0014