



Mr Ben Wachter
Adviser, Issuers (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

28 October 2008

Dear Ben

The Company provides the following responses to your price query:

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?

The Company is not aware of any information concerning it that has not been announced that could be an explanation for the recent trading in the securities of the Company.

The recent fall in the share price may be in response to the significant event fully disclosed in our 30 June 2008 financial accounts released on 29 August 2008 in relation to Greentrains. That event is the sale of locomotives and wagons to Greentrains, a private company, holding those assets for term rental. Greentrains is in the process of securing finance, in order to provide payment for the locomotives and wagons, Coote Industrial being the recipient of those funds. Greentrains and Coote Industrial are working cooperatively towards resolving the financing and when the appropriate approvals are in place, the Company, will immediately provide further advice to the market.

Gemco Rail completed the refurbishment and sale of these locomotives during the last financial year. This transaction for Coote Industrial signaled significant progress towards its objective of becoming a major participant in the rolling stock services market

All of the locomotives and wagons purchased by Greentrains are now in use by various rail operators including Coote Industrial's subsidiary, South Spur Rail Services (SSRS) These assets are retained on a dry lease basis and those being used by SSRS are employed in short haul, port shuttles, infrastructure projects, hook & pull and other subcontract services under term contracts generally of 3 or more years which underpin 90% of SSRS FY09 revenue

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

N/A

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 current financial year would vary

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from the previous corresponding period by more than 15%. If so, please provide details as to the extent of the likely variation.

Presently the Board does not consider that current financial year performance will differ by more than 15% from the previous year's performance

4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the current financial year? If so, please provide details.

The Board does not at this stage anticipate Coote Industrial will record any material abnormal or extraordinary profit for the current financial year.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

The Board is not aware of any information other than that already released to the market which would explain the recent price change in the Company's securities

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

The Company is in compliance with the listing rules and in particular listing rule 3.1

Yours sincerely

(Sent electronically without signature)

Don Patterson
Executive Director
Coote Industrial Limited





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27 October 2008

Mr Mustapha Darwish
Company Secretary
Coote Industrial Ltd
Level 1
Kings Park Road
West Perth WA 6005

By e-mail: mus.darwish@coote.com.au

Dear Mus

Coote Industrial Ltd (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of 90 cents on 7 October 2008 to a low of 29 cents at the time of writing 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 current financial year would vary from the previous corresponding period 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 current financial year? 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.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Ascendex

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Your response should be sent to me by e-mail at ben.wacher@asx.com.au or by facsimile on **facsimile number (02) 9241 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 commencement of trading (ie **before 9.30 a.m. A.E.D.T**) on **Tuesday, 28 October 2008**.

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 call me on (02) 9227 0409.

Yours sincerely

[sent electronically without signature]

Ben Wacher
Adviser, Issuers (Sydney)

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