



23 January 2006

Mr A Walsh
Assistant Manager, Issuers (Perth)
Australian Stock Exchange Ltd
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

By Facsimile: 9221 2020

Dear Sir

We refer to your enquiry letter of today's date in relation to a change in the price of the Company's securities from 3.3 cents on 12th January 2006 to a high of 5.2 cents today, and the high volume of securities being traded.

We offer the following response to your questions;

1. The Company is not aware of any information concerning it that has not previously been announced, which may reasonably be regarded as an explanation for recent trading in the Company's securities.
2. Not applicable.
3. The Company does not have any other explanations for the share price change and increase in volume in the securities of the Company.
4. The Company confirms that it is in compliance with the ASX listing rules and, in particular, listing rule 3.1.

Yours faithfully

Kimberley Heitman
CHAIRMAN
AdultShop.com Ltd

**ASX**

AUSTRALIAN STOCK EXCHANGE

23 January 2006

Mr J Burness
Company Secretary
AdultShop.com Limited
PO Box 357
NORTHBRIDGE WA 6865

Facsimile: 9227 6788

Dear Kent

AdultShop.com Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from 3.3 cents on 12 January 2006 to a high of 5.2 today. ASX also notes the high volumes of securities being traded.

In light of the price and volume 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 and increase in volume 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 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 3 pm WST on Monday 23 January 2006.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 9224 0000
Facsimile 61 9221 2020
Internet <http://www.asx.com.au>

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".

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

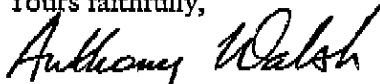
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant 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,



Anthony Walsh
Assistant Manager, Issuers (Perth)