



25 June 2010

Ms Tonia Oliveira
Australian Securities Exchange
Level 3 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Ms Oliveira

PHARMAUST LIMITED - VOLUME QUERY

I refer to your letter dated 25 June 2010 in regard to the increase in the volume of the Company's securities from an average volume for the past 25 days of 349,330 to a volume today of 6,362,899. The Company responds as follows;

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 which, if known, could be reasonably considered to be an explanation of recent trading in 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?

Not Applicable

3. Is there any other explanation that the Company may have for the increase in volume of securities traded in the Company?

The increase in volume may be due to the increased shareholder awareness of the imminent commencement of drilling of the Lambouka-1 well.

As announced to the market on 23 March 2010, PharmAust has agreed to farm in to two contiguous offshore Exploration Permits, G.R15.PU, located offshore the island of Pantelleria southwest of Sicily in Italian waters and the Kerkouane Permit located offshore northeast Tunisia. Collectively, the prospect is known as the Lambouka oil and gas prospect.

Lambouka lies in 400m water depth and straddles the Italian and Tunisian international boundary. It is a large tilted horst block with a combined prospective mean resource of 270 MMBOE, targeting three prospective and regionally proven hydrocarbon objectives PharmAust will earn a 10% working interest in Lambouka which is scheduled to be drilled in July 2010.

On 17 June 2010, the Company announced the commencement of the mobilisation of the Atwood Southern Cross semi submersible drilling rig to Lambouka. It is estimated that the drilling rig will arrive on location on 3 July 2010 (dependent on weather).

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4. 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 of ASX including Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to read "S. Wright", is written over the typed name.

**SAM WRIGHT
DIRECTOR & COMPANY SECRETARY
PHARMAUST LIMITED**

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25 June 2010

Mr Sam Wright
Company Secretary
Pharmaust Limited
71 Division Street
WELSHPOOL WA 6106

By email to: sam@pharmaust.com

Dear Sam

Pharmaust Limited (the "Company")

VOLUME QUERY

We have noted an increase in the volume of securities traded from an average volume for the past 25 days of 349,330 to a volume today of 6,362,899.

In light of the increased 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?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

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 increased volume of securities traded in 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 by **email to tonia.oliveira@asx.com.au or by 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 4:30pm (W.S.T.) today, Friday 25 June 2010**.

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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,



Tonia Oliveira

Adviser, Issuers (Perth)