



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
Level 8, Exchange Plaza
2 the Esplanade
Perth WA 6000

PO Box D187
Perth WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

26 May 2009

Ms Rachel Wong
KTL Technologies Limited
Level 34 AMP Centre
50 Bridge Street
Sydney New South Wales 6000

By Email: rwong.abilla@gmail.com

Dear Rachel,

KTL Technologies Limited (the "Company")

We refer to the following:

1. The Company's Quarterly Report in the form of Appendix 4C for the period ended 31 March 2009, released to ASX Limited ("ASX") on 3 April 2009, (the "Appendix 4C").

ASX notes that the Company has reported the following.

- 1.1. Receipts from customers of Nil.
 - 1.2. Net negative operating cash flows for the quarter of \$329,000.
 - 1.3. Cash at end of quarter of \$200,000.
2. Listing Rules 12.1 and 12.2, where ASX can determine whether the continued listing of an entity is warranted, having regard to the entity's level of operations or its financial condition.

12.1 The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.

Introduced 1/7/96. Origin: Listing Rule 3J(13).

12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

Introduced 1/7/96. Origin: Listing Rule 3J(13).

Note: Composition of the balance sheet, relative size of liabilities to assets and access to funds are some of the indicators of an entity's financial condition.

In light of the information contained in the Appendix 4C and the application of listing rules 12.1 and 12.2 can the Company please respond to the following question:

1. What steps the Company has taken, or what steps it proposes to take, to demonstrate that the operations and financial condition of the Company are sufficient to warrant continued listing on ASX in accordance with the requirements of listing rules 12.1 and 12.2. In this regard please confirm what projects and/or operations the Company will be investing or using its cash assets on, the amounts to be spent on each of those projects and/or operations and the timeframe for any expenditure.

This letter deals with important matters and you may wish to consult your advisers. If you wish to provide submissions, 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 **5:00pm WST on 28 May 2009**.

Any submissions or response should be sent to me by email or on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

ASX reserves the right under listing rule 18.7A to release this letter and the Company's response and/or submissions to the market. Accordingly, any correspondence should be prepared in a format suitable for release to the market and address the question asked of the Company.

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.

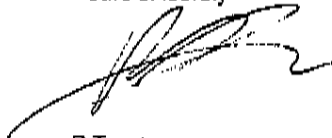
In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

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.

If you have any queries regarding any of the above, please contact me on (08) 9224 0000.

Yours sincerely



P Tranter
Senior Adviser, Issuers (Perth)

KTL TECHNOLOGIES LIMITED
ABN 75 009 089 981

28 May 2009

Peter Tranter
Senior Adviser, Issuers (Perth)
ASX Markets Supervision Pty Ltd
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir,

KTL Technologies Limited (ASX prefix: KTL) received a query letter from ASX dated 19 May 2009 regarding its recent Appendix 4C and application of Listing Rules 12.1 and 12.2, and has requested that a formal response be made thereto.

In response to the queries raised by ASX the steps the Company has taken, or steps it proposes to take, to demonstrate that the operations and financial position of the Company are sufficient to warrant continued listing in ASX in accordance with the requirements of Listing Rules 12.1 and 12.2 are as follows:

- ❖ The Company is planning to continue its exploration on its Mundong Well Uranium, Copper and Lead project (E08/1609) (Mundong Well Project) during the second half of the financial year. The Company will either explore opportunities of joint venture/farm-in arrangements, or spend at least \$54,000 on the exploration of the Mundong Well Project by February 2010.
- ❖ As announced to ASX on 19 May 2009, the Company has signed a Memorandum of Understanding (MOU) to enter into a strategic alliance and to negotiate further strategic cooperation with Hong Kong based Union Park Company Limited (Union Park), member of the China Railway Materials Commercial Corporation Group, with the objective of the alliance acquiring major mineral projects. Initially, the alliance intends to focus on projects in Australia and pursue significant opportunities in iron ore and other minerals. The MOU provides that KTL will be responsible for the identification and assessment of potential mineral projects and negotiations with project owner(s) along with the alliance partner. It is intended that the acquisition of projects and the associated project assessment and negotiation costs will be fully funded by Union Park Company Limited and/or its parent company. Currently, a number of potential projects have been identified by KTL for review by Union Park.
- ❖ The financial condition of the Company is at follows:
 - i. Cash at bank.
 - ii. Expected recovery of the loan of approximately AUD\$640,000 owing by KTL Technologies Hong Kong Limited (KTLHK) by 30 June 2009 in accordance with the loan agreement.
 - iii. The Managing Director is discussing with major shareholders of the Company on possibilities of a share issue to raise capital in the unlikely event of unsuccessful or delayed recovery of loan to KTLHK.

Please do not hesitate to contact us if you have any further queries.

Yours faithfully,
KTL TECHNOLOGIES LIMITED

Ms Rachel Wong
DIRECTOR AND COMPANY SECRETARY

KTL Technologies Ltd ABN 75 009 089 981

Address: Level 34 AMP Centre, 50 Bridge Street, Sydney NSW 2000

Facsimile: +612 8216 0701

Email: info@klttek.com.au

Telephone: +612 8216 0937

Website: www.klttek.com.au