



AUSTRALIA'S NO.1 HONEY, NATURALLY!

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23 October 2008

Mr Scott Evans, General Manager
National Stock Exchange of Australia
384 Hunter Street
Newcastle NSW 2300

By Fax: 02 49291556

Dear Mr Evans

RE: PRICE QUERY

We refer to your email of 20 October 2008 under the above subject heading, and respond to the questions below.

1. *Is the Company aware of any price information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company? For example, but not limited to, financial results, material litigation, material contracts, material leases, change in senior staff, directors or management or any other price sensitive activity.*

CHL Response: No – Not to our knowledge. The Company has, however, decided to release unaudited Q1 2009 results as a result of a material change in circumstances (currency exchange rates).

2. *If the answer to 1. is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

CHL Response: Not applicable.

3. *Please confirm that the company is in compliance with the listing rules and, in particular, listing rule 3.1.*

CHL Response: Capilano confirms that it is in compliance with the listing rules and in particular listing rule 3.1.

Yours sincerely

Richard Rivalland
Company Secretary

20th of October 2008

Ms Annette Zbasnik
Capilano Honey Limited
PO Box 66
Richlands QLD 4077

Email: a.zbasnik@capilano.com.au

Dear Ms Zbasnik

Capilano Honey Limited (the "Company")

Re: Price Query

We have noted a change in the price of the Company's securities from the last traded price of \$1.60 on the 10th of October 2008.

The trade below has come to our attention.

Date	Price	Volume	Value	Buyer	Seller	TradingCode
15/10/2008	\$1.60	766	\$1,125.60	ABN Amro	ABN Amro	CAP
15/10/2008	\$1.35	4,500	\$6,075.00	ABN Amro	ABN Amro	CAP
15/10/2008	\$1.30	1,934	\$2,514.20	AAA Shares	ABN Amro	CAP

In light of this market activity please respond to the following questions.

1. Is the Company aware of any price information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company? For example, but not limited, to financial results, material litigation, material contracts, material leases, change in senior staff, directors or management or any other price sensitive activity.
2. If the answer to 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 an 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. Please confirm that the company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be directed to Scott Evans, General Manager, no later than **4pm, Thursday, 23rd of October 2008**. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.



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National Stock Exchange of Australia Limited

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Bendigo Stock Exchange Limited

ABN: 41 087 708 898

BSX Services Pty Ltd (t/a) BSX Taxi Markets

ABN 57 084 885 683

Listing Rule 3.1 and 3.2

BSX continuous disclosure rules state:

- 3.1 Subject to rule 3.2m if an entity becomes aware of 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, it must immediately provide that information to the BSX.

- 3.2 Rule 3.1 does not apply to particular information if a reasonable person would not expect the information to be disclosed, the information is confidential or a trade secret and one or more of the following applies;
 - (a) it would be a breach of a law to disclose the information;
 - (b) the information concerns an incomplete proposal or negotiation;
 - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - (d) the information is generated for internal management purposes of the entity.

Trading Halts

If the Company is unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, the Company should consider a request for a trading halt in the Company's securities. The request must be in writing. BSX is not bound to act upon the request.

In your request please include the following information;

- a. The reasons for the trading halt
- b. How long you want the halt to last
- c. The event you expect to happen that will end the trading halt
- d. That you are not aware of any reason why the trading halt should be granted
- e. Any other information necessary to support your request.

If a trading halt is request and granted and the Company is still unable to reply to this letter by the time the trading halt expires, suspension from the quotation would normally be imposed by BSX if not previously requested by the Company. The same applies if the Company has requested a trading halt because the Company is unable to release information to the market, and is still unable to do so by the time the trading halt expires.

If you have any questions regarding any of the above please do not hesitate to contact me.

Yours Sincerely

Scott Evans
General Manager



23 October 2008

Capilano Honey Limited First Quarter 2009 Result (unaudited)

The significant weakening of the Australian dollar in a short space of time has resulted in a material change in circumstances.

Capilano is able to provide the following guidance to the market:

- First quarter net profit before tax (unaudited) was \$1.3 million.
- The unusual volatility in currency markets affecting exchange rates has the propensity to produce significant translation gains or losses in the future.
- While current exchange rates are favourable for our export markets honey supply remains tight coming out of winter, maintaining upward pressure on domestic honey purchase prices.

The decision to release the unaudited first quarter result has been made to provide the market with information of a material change in circumstance but does not constitute a projection of likely future results. Considerable uncertainty and volatility remains in world markets, including exchange rates and honey supply, which affects our business.

R D Masters
Managing Director

For further information:

Company Secretary - Richard Rivalland, Capilano Honey Limited 07) 3712 8282