

Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	02/10/2006

Type : Reply to query
Reply to Bursa : KM-060929-65479
Malaysia's
Query Letter -
Reference ID
Subject : UNUSUAL MARKET ACTIVITY

Contents :

We refer to the letter from Bursa Malaysia Securities Berhad dated 29th September 2006 on its inquiry regarding the sharp increase in price in BTM Resources Berhad ("BTM" or the Company) shares recently.

In accordance with Corporate Disclosure Policy on response to the Unusual Market Activity pursuant to paragraph 9.11 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR") the Board of Directors of BTM Resources Berhad, after making due enquiry and to the best of its knowledge, wishes to confirm the following:-

1. The Board is presently pursuing a Comprehensive Corporate Exercise which will inter-alia, involves a proposal to address and replace the aborted Proposed Rights Issue exercise previously announced. This Comprehensive Corporate Exercise which is being deliberated by the Board will significantly enhance the bottom lines and profitability of the Company, if it is carried out. As the discussion is still ongoing, the Board of Directors is unable to disclose any further information. The Board will make the necessary announcement to Bursa Securities upon the conclusion of the discussion and/or any developments relating thereto.
2. Save as disclosed in paragraph 1, the Board is not aware of any other rumour or report concerning the business or affairs of the Group that may account for the Unusual Market Activity.
3. The Board is not aware of any other possible explanation to account for the Unusual Market Activity; and
4. The Board is fully aware of its obligation to comply with the Bursa Securities LR in particular paragraph 9.03 on disclosure of material information.

The announcement is dated 2 October, 2006

By order of the Board
CHONG SEOK TIAN
Company Secretary

Query Letter content :

We draw your attention to the sharp increase in price in your Company's securities recently.

In accordance with the Corporate Disclosure Policy on Response To Unusual Market Activity pursuant to paragraph 9.11 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR"), you are requested to furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with an announcement for public release after making a due enquiry seeking the cause of the unusual market activity in the Company's securities.

In this respect, you are also required to publicly confirm, amongst others, the following:-

1. whether there is any corporate development relating to your Group's business and affairs that has not been previously announced that may account for the unusual market activity including those in the stage of negotiation / discussion. If yes, kindly provide the details including the status of the corporate development to enable investors to make informed investment decision;
2. whether there is any rumour or report concerning the business and affairs of the Group that may account for the unusual market activity and in this respect, you are required to comply with paragraphs 9.09 and 9.10 of the Bursa Securities LR;
3. whether you are aware of any other possible explanation to account for the unusual market activity; and
4. your compliance with the Bursa Securities LR, in particular paragraph 9.03 on disclosure of material information.

Please note that the contents of the announcement must be endorsed by the Board of Directors of the Company and the announcement must reach Bursa Securities within one(1) market day via Bursa LINK.

Yours faithfully

SURESH N KANNAN HANAPI MAHAMOD

Head, Manager,

Issuers Investigation & Enforcement Issuers Investigation & Enforcement

Investigation & Enforcement Division Investigation & Enforcement Division

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