

health corporation Limited

ACN 116 800 269

31 January 2012

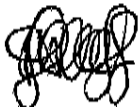
Ms Jill Hewitt
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Jill

I refer to ASX's letter to Health Corporation Ltd (**Company**) dated 24 January 2012. In respect to your query in relation to compliance with Listing Rules 12.1 and 12.3, the Company's position is as set out below:

1. The Company undertook a major business and asset restructure of loss making enterprises in 2011. This was done to ensure the Company's survival, if not it would have gone into administration. Pursuant to this restructure, the asset carrying values were written down or off its balance sheet and the Company has since pursued a number of potential business opportunities.
2. The Board was not aware it was required to disclose a timeframe for it proposing to invest its funds in a new asset or business opportunity, but its Intention is to invest its funds as soon as a commercially viable business or investment opportunity is secured. Hopefully this is within the next 3-6 months.
3. The Board has been actively reviewing a number of investment opportunities, but has been selective in its process to preserve shareholders' funds for a substantial asset or investment that satisfy the Board's commercial and technical due diligence requirements. Furthermore, the Board acknowledges that any new business acquisition will be made in accordance with applicable Listing Rules.
4. The Company is more than happy to disclose to the market a timeframe of up to 6 months for this decision process to occur should you consider it necessary. Alternatively, the terms for any new transaction could be released once they fully materialise.
5. The Company can confirm that it is currently in compliance with the Listing Rules, and, in particular, Listing Rule 3.1.

Yours sincerely



Rachel Jelleff
Company Secretary



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24 January 2012

Ms R Jelleff
Company Secretary
Health Corporation Limited
Level 21 Allendale Square
77 St George's Terrace
PERTH WA 6000

By email: rachealj@ver.com.au

Dear Rachel

Health Corporation Limited (the "Company")

We refer to the Company's Annual Accounts for the period ended 30 June 2011, the Appendix 4C for the period ended 31 December 2011 and to previous correspondence concerning the Company's compliance with listing rules 12.1 and 12.3.

Listing Rule 12.3

ASX listing rule 12.3 provides, that if half or more of an entity's total assets is cash or in a form readily convertible to cash, ASX may suspend quotation of the entity's securities until it invests those assets or uses them for the entity's business. The Company is also required to give shareholders details, in writing, of the investment or use of the cash assets.

The note to the listing rule states that the ASX generally will not apply this rule provided that the entity has adequately disclosed the time within which it proposes to invest its funds and updates that disclosure if the proposal is revised or altered.

Listing Rule 12.1

ASX listing Rule 12.1 provides that 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.

In light of the above, please respond to each of the following questions:

1. What steps has the Company taken, or what steps does it propose to take, so that it is in compliance with the requirements of listing rules 12.1 and 12.3? In this regard please confirm what projects the Company is considering or using its cash assets on, the amounts to be spent on each of those projects and the timeframe for the expenditure.

2. Details of the date when the Company expects it will be in compliance with listing rules 12.1 and 12.3.

Please note ASX will afford the Company a period of six months from the date of this letter to demonstrate to the ASX that it is compliant with listing rules 12.1 and 12.3. If the Company does not demonstrate compliance with these rules to the ASX's satisfaction by 24 July 2012, ASX may suspend the Company's securities from official quotation.

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 **3.00pm WST on Tuesday, 31 January 2012**.

ASX reserves the right under listing rule 18.7A to release this letter and the Company's responses to the market. The response must therefore be in a form suitable for release to the market.

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.

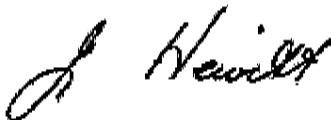
In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

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 please do not hesitate to contact me on 9224 0013.

Yours sincerely,



Jill Hewitt

Senior Adviser Listings (Perth)