



## EL Corporation Limited

ABN 41 002 737 733

ASX CODE: EIM

Registered Office:

**Level 9**

**20 Hunter Street**

**GPO Box 4231**

**Sydney NSW 2001**

**Phone (02) 9252 1933**

**Fax (02) 9235 2709**

14 Feb 2011

Suzanna Dabski  
Senior Adviser  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

[Suzanna.Dabski@asx.com.au](mailto:Suzanna.Dabski@asx.com.au)

Dear Ms Dabski

Thank you for your letter dated 2 Feb 2011

With regards to your queries contained in your letter on the appendix 4C, our response is as follows:

*Q1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?*

A1. We would like to affirm that the company has sufficient cash to fund its ongoing activities. We have advised all our shareholders that funding will continue to be provided from Atlas Capital Pte Ltd.

Atlas Capital is committed to provide support on a continuing basis and we are pleased to advise that we have received a fresh round of funding through Atlas and another substantial shareholder, which has been reported in our last accounts to the ASX.

*Q2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?*

A2. In the future, the company expects to have a positive cash flow when a new funding initiative is being implemented. In our last report, we advised that the company is in discussions with parties outside of Australia as it has become

increasing evident that we will need to raise funds from sources outside of Australia. We will be able to meet all our expenses which has been reduced to AUD\$55,000 last quarter which is only about AUD 18,000 per month.

*Q3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

A3. EI Corporation Ltd is pleased to advise that we have initiated discussions with a company that is associated with the resource based industry in Australia to collaborate on a business which has a huge potential that will generate a very positive result. We will make an announcement to all shareholders as soon as the information can be released.

*Q4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

A4. The company complies with all the listing rules and in particular to the ASX Listing Rule 3.1. We will advise ASX immediately of any development to our ongoing discussions that may be of interest to the shareholders. We will continue to disclose all information that may affect the share price or the value of the shares, to the market.

*Q5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.*

A5. The company would like to state that we have the management expertise and the resources to manage the business which we plan to bring into the company. We will protect the interest of all our shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Isaac Ng', written in a cursive style.

Isaac Ng  
Executive Director



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2 February 2011

Mr Nick Geddes  
Company Secretary  
EL Corporation Limited  
99 Mount Street  
North Sydney NSW 2060

By Email

Dear Nick

**EL Corporation Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2010, released to ASX Limited ("ASX") on 28 February 2011 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Net negative operating cash flows for the quarter of \$98,000.
3. Cash at end of quarter of \$76,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **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.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail to [suzanna.dabski@asx.com.au](mailto:suzanna.dabski@asx.com.au) or by facsimile on facsimile number (02) 9241 7620. 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 **5:00 p.m. A.E.D.T. on Monday, 14 February 2011**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (02) 9227 0892.

Yours sincerely,

*[Sent electronically without signature]*

Suzanna Dabski  
**Senior Adviser, Listings (Sydney)**