Narhex Life Sciences Ltd

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4 March 2011

Mr Darren Collins
Senior Adviser
ASX Limited
Level 45, South Tower
525 Collins Street
Melbourne VIC 3000

Dear Darren

NARHEX LIFE SCIENCES LIMITED

We refer to your letter dated 2 March 2011 in respect of the late lodgement of the required Appendix 3Zs – Final Directors' Interest Notices.

Having regard to ASX Listing Rules 3.19A and 3.19B and Guidance Note 22 "Director Disclosure Interests and Transactions in Securities – Obligations of Listed Entities", we respond as follows:

1. The directors resigned on 13 January 2011 with the Final Directors' Interest Notices required to be lodged by 20 January 2011. Following the effectuation of the Deed of Company Arrangement on 14 January 2011, control of the Company reverted back to the directors from the Deed Administrators. The Board subsequently conducted a compliance review and became aware of the failure to lodge the outstanding notices and took steps to rectify these matters.

2. The Company believes that it has adequate arrangements in place, which include processes to inform the Company's directors of their obligations to advise the Company of securities trading activity and acknowledgements of the directors in relation to these issues.

3. The Company believes that the current arrangements to ensure compliance with listing rule 3.19B are adequate.

Yours sincerely

Simon Lill
Director
Narhex Life Sciences Limited

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2 March 2011

Narhex Life Sciences Ltd
Mr Simon Lill
Company Secretary
Level 24, 44 St George's Terrace
PERTH WA 6000

By Email

Dear Simon

Narhex Life Sciences Ltd (the "Company")

We refer to the following;

1. The Appendix 3Z lodged by the Company with ASX 22 February 2011 for Anthony Say;

2. The Appendix 3Z lodged by the Company with ASX 22 February 2011 for Ian Reynolds;

3. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*

4. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director

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discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

5. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Z indicated that both directors ceased to be a director on 13 January 2011 it appears the Appendix 3Z should have been lodged with ASX by 20 January 2011. As it was lodged on 22 February 2011, it appears that there may have been a breach by the Company of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendices were lodged late.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at **darren.collins@asx.com.au** or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading **(i.e. before 9.30 a.m. E.D.S.T.) on Friday, 4 March 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Darren Collins
Senior Adviser, Listings (MELBOURNE)

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