

2 January 2009

Mr Patrick O'Connor
Adviser
ASX Markets Supervision Pty Ltd
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Email patrick.oconnor@asx.com.au

Dear Mr O'Connor

Ventracor Limited - Price Query

I refer to the price query set out in the letter from ASX Limited dated 31 December 2008 and respond as follows to the specific questions you have posed.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in securities of the Company?

The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company. The Company is currently seeking expressions of interest from parties wishing to acquire the Company or take a strategic stake in the Company in order to provide Ventracor Limited with further capital. As expressions of interest are not due to be received for several weeks the Company has nothing further to report.

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

No announcement can be made immediately about any potential interest from parties expressing an interest in acquiring the Company or pursuing a strategic stake as expressions of interest are not yet due to be received. However, the Company will make an announcement immediately after it is obliged to do so under the Listing Rules.

3. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year period ending 31 December 2008 would vary from the previous half year period of any previous guidance provided by the Company by more than 15%. If so, please provide details as to the extent of the likely variation.

Yes, the Company expects to report a significant reduction in its net loss for the half year to 31 December 2008 compared to the corresponding half year to 31 December 2007, predominantly due to a reduction in operating costs associated with reduced expenditure in order to preserve cash. The Company is not able to accurately quantify the improved loss position until the December result is finalised. However, as previously announced to the market, the main issue confronting the Company at this time is cash liquidity and the need to obtain additional funding in order to continue operations. As such, it is considered that the cash position is more relevant at present than a reduction in net losses.

The Company reports that its cash reserves as at 30 December 2008 were \$9.3M, being a reduction of cash in respect of the half year to 31 December 2008 of \$8.7M, compared to a reduction of \$15.5M in respect of the half year to 31 December 2007 .

4. Is there any reason to think that the Company may record any material abnormal or extraordinary results for the half-year period ending 31 December 2008? If so, please provide details.

There is no reason to think that the Company may record any material abnormal or extraordinary results for the half-year period ended 31 December 2008.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

The Company is not aware of any other explanation for the price change in the securities of the Company.

6. Please confirm that the Company is in compliance with the Listing Rules and, in particular, listing rule 3.1?

Yes, the Company believes that it is in compliance with the Listing Rules and, in particular, that the Company has made appropriate disclosure to the market in accordance with Listing Rule 3.1.

Yours sincerely



Graeme Fallet
Company Secretary



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31 December 2008

Ms Camilla Newcombe
Joint Company Secretary
Ventracor Limited
c/- Clayton Utz
Level 28, 71 Eagle Street
BRISBANE QLD 4000

By email: camilla.newcombe@ventracor.com

Dear Ms Newcombe

Ventracor Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of 4.9 cents on Tuesday, 30 December 2008 to a high of 7.1 cents today, 31 December 2008. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 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 the 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. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year period ending 31 December 2008 would vary from the previous half year period or any previous guidance provided by the Company by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary results for the half year period ending 31 December 2008? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at **patrick.oconnor@asx.com.au** or by facsimile on **facsimile number (07) 3839 4114**. 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 **9.30 am EDST (8:30 am Brisbane time) Friday, 2 January 2009**.

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 suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

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 listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – 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.

Trading halt

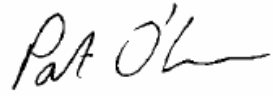
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pat O'Connor', with a stylized flourish at the end.

Patrick O'Connor
Adviser, Issuers (Brisbane)