ENERJI LTD

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10 March 2009

Mr Greg Coulson
Advisor, Issuers (Perth)
ASX Markets Supervision Pty Ltd
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By Facsimile: 08 9221 2020

Dear Sir

ENERJI LIMITED

We refer to your letter dated 10 February 2009 requesting various details regarding Enerji Limited (ERJ), primarily relating to the operations and financial condition of ERJ.

In respect of the question from ASX set out in your letter, ERJ confirms that it has entered into a heads of agreement with Water UN Limited pursuant to which the parties have agreed to grant each other a put and call option in respect of the potential acquisition of Water UN Limited.

Details of the transaction are set out in the ASX Announcement dated [6 March 2009].

Should ASX require any further information please do not hesitate to contact the undersigned.

Yours sincerely
ENERJI LIMITED

ILaudzevics

Ingrid Laudzevics
Company Secretary

ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
Level 8, Exchange Plaza
2 the Esplanade
Perth WA 6000

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Perth WA 6840

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FAXED

10 February 2009

Ingrid Laudzevics
Company Secretary
Enerji Limited
Suite 4, Level 2,
7 Havelock Street
WEST PERTH WA 6005

By Facsimile: 9486 4944

Dear Ingrid,

Enerji Limited (the "Company")

We refer to the following;

1. The Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2008, released to ASX Limited ("ASX") on 28 January 2009, (the "Appendix 4C").

   ASX notes that the Company has reported the following.

   1.1. Receipts from customers of Nil.

   1.2. Net negative operating cash flows for the quarter of $13,000.

   1.3. Cash at end of quarter of $276,000.

2. An announcement titled "Termination of Put and Call Option Agreement with System 2 Pty Ltd" lodged by the Company with the ASX on 29 December 2008 (the "Announcement").

3. Listing Rules 12.1 and 12.2, where ASX can determine whether the continued listing of an entity is warranted, having regard to the entity's level of operations or its financial condition.

   12.1 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.

   Introduced 1/7/96. Origin: Listing Rule 3J(13).

   12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

   Introduced 1/7/96. Origin: Listing Rule 3J(13).

Note: Composition of the balance sheet, relative size of liabilities to assets and access to funds are some of the indicators of an entity's financial condition.

In light of the information contained in the Appendix 4C and the Company's circumstances as detailed in the Announcement and the application of listing rules 12.1 and 12.2 can the Company please respond to the following question:

1. What steps the Company has taken, or what steps it proposes to take, to demonstrate that the operations and financial condition of the Company are sufficient to warrant continued listing on ASX in accordance with the requirements of listing rules 12.1 and 12.2. In this regard please confirm what projects and/or operations the Company will be investing or using its cash assets on, the amounts to be spent on each of those projects and/or operations and the timeframe for any expenditure.

This letter deals with important matters and you may wish to consult your advisers. If you wish to provide submissions, 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 **5:00pm WDST on 10 March 2009**.

Any submissions or response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

ASX reserves the right under listing rule 18.7A to release this letter and the Company's response and/or submissions to the market. Accordingly, any correspondence should be prepared in a format suitable for released to the market and address the question asked of the Company.

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 regarding any of the above, please contact me on (08) 9224 0029.

Yours sincerely

Greg Coulson
Adviser, Issuers (Perth)