



12th May 2009

Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Attention: Ms J Cutri
Assistant Manager, Issues (Perth)

Dear Madam

Appendices 3Y – Director's Interest Notices

We refer to your letter dated 8 May 2009 relating to the late lodgement of the Appendices 3Y lodged on 1 May 2009 in connection with the Rights Issue capital raising for which securities were issued on 2 February, 20 February & 23 April. Arafura Pearls Holdings Limited (the Company) responds as follows to the questions asked in ASX letter:

1. Please explain why the Appendices 3Y were lodged late

These allotments were viewed by the Company as one raising, rather than separate allotments of shares, as all of the allotments related to the recent Rights Issue, and accordingly the Appendix 3Ys were lodged at the completion of the capital raising process. The Company had previously advised the markets of the shares to be taken up by the directors in the Rights Issue raising, and accordingly the market was not misinformed as they had already been advised of the directors' transactions that were to take place. We now understand that staggered allotment as part of one capital raising is not one transaction, but rather separate transactions, and we will attend to the lodgement of future appendices on that basis.

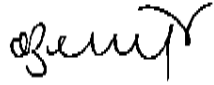
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The company has a contract with each director which includes an undertaking to comply with ASX Listing Rules, Corporations Act and the Company's share trading policy. In the present circumstance, the securities were acquired as an allotment pursuant to the Rights Issue, so the Company Secretary was aware of the change, however as stated in Item 1, the Appendix 3Ys were lodged at the completion of the Rights Issue allotments, rather than when each tranche of shares was issued.

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?

Arrangements are adequate and are being enforced. The Company is now aware of the strict and literal view of ASX in relation to Listing Rule 3.19A.2 and any interim allotments in future capital raisings will be treated as separate events.

Yours faithfully



A Bechta
Company Secretary

Arafura Pearls Holdings Ltd
arapurapearls.com.au
ABN 98 092 266 067

Corporate Office
PO Box 1099 Subiaco WA 6904
Level 3, 22 Railway Rd Subiaco WA 6008
T. + 61 8 9382 4813 F. + 61 8 9388 6456

Elizabeth Bay Farm
Locked Bag 1146 Nhulunbuy NT 0881
T. +61 8 8987 9137 F. + 61 8 8967 9147

Darwin Office
PO Box 2196 Darwin NT 0801
18 Smith Street Darwin NT 0800



ASX
AUSTRALIAN SECURITIES EXCHANGE

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

PO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0000
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

FAXED
8 May 2009

Mr Graeme Boden
Company Secretary
Arafura Pearl Holdings Ltd
Level 3, 22 Railway Road
SUBIACO WA 6008

By Facsimile: 9388 6456

Dear Graeme

Arafura Pearl Holdings Limited (the "Company")

We refer to the following:

1. Company's announcements lodged with ASX Ltd ("ASX") on 1 May 2009 regarding a change in the director's interest for Messrs Jeffrey Mews, Andrew Hewitt and Mark Ceglinski ("Appendix 3Ys").
2. 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). 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.
3. 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 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.

4. 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.

The Appendix 3Ys indicate that a change in Director's notifiable interest occurred between 3 February and 23 April 2009. It appears that the Director's Notice should have been lodged with ASX by 10 February 2009, in the first instance. Consequently, the Company may be in breach 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 Appendix 3Ys 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 jenny.cutri@asx.com.au or by facsimile on facsimile number (08) 9221 2020. 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 at 7.30am WST on Wednesday 13 May 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 form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely



Jenny Cutri
Assistant Manager, Issuers (Perth)