

19 January 2009

Emma Badhni
Senior Adviser, Issuers
ASX Markets Supervision Pty Ltd
20 Bridge Street
Sydney NSW 2000

Dear Emma

**Pelorus Property Group Ltd
Director's Interest Notice**

We refer to your letter on 13 January and respond to your questions below.

Lodgement of Appendix 3X

Pelorus was listed on the ASX on 20 July 2006 and Richard Hill joined the board on this day. In the days following its listing Pelorus released initial director's interests notices and initial substantial holder notices. A nil Appendix 3X was not lodged for Richard Hill at the time of listing.

Pelorus recently completed a merger and restructure that was approved by shareholders on 28 November 2008. As a result of the transaction Richard Hill acquired an initial notifiable interest in Pelorus and an Appendix 3X was issued. This should have been an Appendix 3Y now enclosed.

Arrangements of the Company with its directors to ensure compliance with Listing Rules 3.19A and 3.19B

Pelorus believes that its current arrangements with directors are adequate to ensure compliance with ASX Listing Rules 3.19A and 3.19B. Subsequent to listing, all directors' disclosures have been lodged in accordance with the Listing Rules. Pelorus's procedures for compliance with Listing Rules 3.19A and 3.19B are:

- Directors must advise Pelorus of any associated entities that hold or may hold notifiable interests in Pelorus
- Directors must advise Pelorus of the details of any change in their notifiable interests in Pelorus
- The Chairman, Managing Director, Company Secretary and Financial Controller receive daily the share holding movement reports produced by Pelorus's external register service provider that show movements in directors' associated entities holdings
- Pelorus maintains a register of directors' notifiable interests that is reconciled with the company's register.

Yours faithfully

Pelorus Property Group Ltd



Stuart Brown
Managing Director

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity: Pelorus Property Group Ltd
ABN: 45 091 209 639

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Richard Hill
Date of last notice	

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect interest
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Director holds a relevant interest in the following registered holders of PPI shares: Tampopo Pty Ltd and Richard Hill <Richard Hill Super Fund Account>
Date of change	24 December 2008
No. of securities held prior to change	0
Class	Ordinary Shares
Number acquired	16,266,857
Number disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	14.5 PPI shares for each BQF Unit
No. of securities held after change	Tampopo Pty Ltd – 7,530,818 shares Richard Hill Super Fund – 8,736,039 shares
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Acquisition by PPI of Bakehouse Quarter Fund units in exchange for PPI shares.

+ See chapter 19 for defined terms.

Appendix 3Y Change of Director's Interest Notice

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

+ See chapter 19 for defined terms.



13 January 2009

Mr Simon Hayes
Company Secretary
Pelorus Property Group Limited
Level 3
50 Yeo Street
Neutral Bay NSW 2089

ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
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By Email

Dear Simon,

Pelorus Property Group Limited (the "Company") – Initial Director's Interest Notice

We refer to the following:

1. The Appendix 3X lodged by the Company with ASX Limited ("ASX") on 31 December 2008 for Mr Richard Hill.
2. Listing rule 3.19A.1 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. 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.

As the Appendix 3X indicates that Mr Hill was appointed as a director of the Company on 20 July 2006, it appears that the Appendix 3X should have been lodged with ASX by 27 July 2006. As the Appendix 3X was lodged on 31 December 2008, 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 3X was 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 emma.badhni@asx.com.au or by facsimile on facsimile number (02) 9241 7620. 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. A.E.D.T.) on Tuesday, 20 January 2009.

Yours sincerely,

(sent electronically without signature)

Emma Badhni

Senior Adviser, Issuers (Sydney)