

2 July 2010

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

Dear Emma

**Pelorus Property Group Limited**  
**Appendix 3Y: Director's Interest Notice – Robin Tedder**

We refer to your letter on 29 June 2010 and respond to your questions below.

**Lodgement of Appendix 3Y**

In accordance with ASX Listing Rule 3.19A.2, Pelorus lodged an Appendix 3Y with ASX Limited on 3 June 2010 in relation to the change in relevant interest for Mr Robin Tedder. The Appendix 3Y was lodged 4 business days after the due date for lodging such notices.

The change in relevant interest arose from the transfer of 56,000 shares in the company on 21 May 2010 to a party related to Mr Tedder at the then current market price of 19 cents per share. The transfer represented 0.32% of Mr Tedder's total relevant interest in the company. Mr Tedder advised the Managing Director and the Company Secretary of the transfer on 24 May 2010.

There was a delay in lodging the Appendix 3Y with the ASX, as it was combined into one announcement with an Appendix 3Y for three other directors of the company, namely Mr Seph Glew, Mr Paul Tresidder and Mr Guy Wynn.

**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. Since listing on the ASX in July 2006, all changes to directors' relevant interests have been disclosed to the market, and this is only the second time on which a change in directors' relevant interest notice has been lodged outside the 5 business day time period specified in ASX Listing Rule 3.19A.2.

Pelorus' procedures for compliance with Listing Rules 3.19A and 3.19B are as follows:

- All directors must advise Pelorus of any associated entities that hold or may hold notifiable interests in Pelorus
- All directors must advise the Managing Director and the Company Secretary of the details of any change in their notifiable interests in Pelorus as soon as possible

- The Chairman, Managing Director and Company Secretary receive a daily report from the external share registry provider showing all shareholding movements for the previous business day, including movements in directors' associated entities holdings
- Pelorus maintains a register of directors' notifiable interests which is reconciled at least monthly to the company's share register.

Going forward, the company will lodge all Appendix 3Y's with the ASX within 5 business days after the change in relevant interest occurs, rather than waiting to combine multiple notices into one announcement for changes which occur for other directors during the 5 business day period.

Please feel free to call me on (02) 9033 8608 if you wish to discuss the matter further.

Yours faithfully

**Pelorus Property Group Ltd**

A handwritten signature in black ink, appearing to be 'Stuart Brown', with a long horizontal flourish extending to the right.

Stuart Brown  
Managing Director



29 June 2010

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

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By Email

Dear David

**Pelorus Property Group Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice**

We refer to the following:

1. The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 3 June 2010 for Mr Robin Tedder (the "Appendix 3Y");
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 3Y indicates that a change in the director's notifiable interest occurred on 21 May 2010. It appears that an Appendix 3Y should have been lodged with ASX by 28 May 2010. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

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 3Y 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](mailto: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 (ie before 9.30 a.m. A.E.S.T.) on Friday, 2 July 2010.

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)*

Emma Badhni  
**Senior Adviser, Issuers (Sydney)**