



STEAMSHIPS TRADING COMPANY LIMITED

7th of May 2012

ASX Compliance Pty Limited
 ABN 26 087 780 489
 Exchange Centre
 20 Bridge Street
 SYDNEY NSW 2000

Dear Anthony

We refer to your letter dated 1st of May 2012 on Steamships Trading Company Limited “(The Company)” regarding listing rule 4.10.3 which requires that an entity include in its annual report:

“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”

More specifically recommendations 3.2,3.3,3.4 and 3.5, which set out in more detail the requirements as noted in your letter.

Steamships has operated entirely in Papua New Guinea (“PNG”) and has done so for the last 94 years.

Papua New Guinea is one of the most culturally diverse countries in the world and according to recent data 841 different languages are listed for the country (although 11 of these have no known living speakers.) There may be at least as many traditional societies, out of a population of approximately 7.0 million so not only are there different languages there are a number of different tribal groups. It is also one of the most rural, as only 18% of its people live in urban centres. The majority of the population live in traditional societies and



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practise subsistence-based agriculture. These societies and clans have some explicit acknowledgement within the nation's constitutional framework.

As Steamships operates entirely in "PNG" and unlike Australian based Companies it "must" have a diversity philosophy because of the very nature of the country and the different tribal groups within the country. Steamships' operates through out different parts of the country and has operations in 12 out of 20 provinces. As stated in our annual report, the Company is a well established business conglomerate with diverse commercial interests.

Steamships has, over 3250 staff of which 97% are Papua New Guineans and 28% are women-refer attachment. Of the 255 Managers in the group, 19 are women and of the seven non-executive board members one is a women (Lady Winifred Kamit)

At our next AGM and Board meeting on the 15th of May 2012, the directors will discuss the attachment, which is a "Diversity Policy" which the Company will aspire to and measure throughout 2012/13

Yours sincerely

Eddie H Ruha
Finance Director & Company Secretary

Summary of Female Employees in Steamships as at 30 April 2012 - includes citizens & non citizens

	Female	Male	Total Head Count	% to Divisional Headcount
Datec	88	173	261	34%
Corporate (STC Head Office)	38	45	83	46%
Hotel	391	559	950	41%
Manufacturing	187	423	610	31%
Property	13	25	38	34%
Shipping	105	574	679	15%
Transport	75	554	629	12%
Group Total	897	2353	3250	28%

% to the Group H/C
3%
1%
12%
6%
0%
3%
2%
28%

Steamships Trading Company Limited - Diversity Policy:

Steamships recognizes the social and commercial value of diversity and strives to create a work environment which is inclusive of all people regardless of gender, age, race disability, sexual orientation cultural background, religion, family responsibilities or any other area of potential difference.

While Steamships is committed to fostering diversity at all levels, gender diversity has been and continues to be a priority for the Group. Steamships approach to gender diversity is based on the following objectives:

- fostering an inclusive culture;
- improving talent management;
- enhancing recruitment practices; and
- ensuring pay equity;

The Board is overseeing the implementation of strategies to achieve these objectives and, over the course of the 2012 financial year, will measure the progress in achieving them.

A copy of the Diversity Policy will be published on the governance section of the company's website at www.steamships.com.pg



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Facsimile 61 2 9241 7620
www.asx.com.au

1 May 2012

Eddie Ruha
Company Secretary
Steamships Trading Company Limited
Corner Champion Parade & Hunter Street
Section 8, Allotment 2, Granville
Port Moresby, Papua New Guinea 121

By Email

Dear Eddie,

Steamships Trading Company Limited (the “(Company)”)

We refer to the Company's annual report for the year ended 31 December 2011 (“Annual Report”) released to the market on 25 April 2012 and in particular to the Company's disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

“Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.”

Recommendation 3.3



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“Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.”

Recommendation 3.4

“Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.”

Recommendation 3.5

“Companies should provide the information indicated in the Guide to reporting on Principle 3.”

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at anthony.ingegneri@asx.com.au or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **9.30am A.E.S.T. on Tuesday, 8 May 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.



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If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

{Sent electronically without signature}

Anthony Ingegneri
Adviser, Listings (Sydney)