



3 February 2011

**Trading Policy Disclosure – ASX Query 1 February 2011**

Question 1. Reason for non lodgement of Trading Policy with ASX.

The Board of Palamedia Limited (under a Deed of Company Arrangement) did not lodge its trading policy due to a misinterpretation of advice on the requirement to lodge the trading policy whilst under suspension.

Due to the focus on the process that the Company is presently attempting to complete to take it out of suspension may have also contributed to the misinterpretation and non lodgement, and with the distraction of completing an extensive notice of meeting to revitalise the Company. As you are aware the Company is presently suspended and will not come out of suspension until the Meeting has being completed as per the Notice of meeting presently being reviewed by the ASX and all other conditions that are required by the ASX listing rules to allow the release from suspension. The management of Palamedia has being focused on this task.

As you are also aware the Company has recently changed Company Secretary's and is still going through a handover and familiarisation stage.

Question 2. Expected date to lodge the Trading Policy with ASX

The Company has a current Trading Policy and has forwarded this policy the ASX for review

Yours sincerely

Mr Neal Shoobert

Company Secretary



ABN 46 066 217 909

(subject to deed of company arrangement)

Level 2, Export House , 22 Pitt Street Sydney NSW 2000

Ph: (02) 9004 8600



1 February 2011

Mr Neil Shoobert  
Company Secretary  
Palamedia Limited  
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By Email

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Dear Neil,

**Palamedia Limited (the "Company") – Trading Policy Disclosure**

We refer to the following.

1. Listing rule 12.9, effective from 1 January 2011, which states as follows:  
*An entity must have a trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its trading policy to the company announcements office for release to the market.*
2. Listing rule 12.12, effective from 1 January 2011, which states as follows:  
*At a minimum, an entity's trading policy must include the following information:*  
*12.12.1 The entity's closed periods.*  
*12.12.2 The restrictions on trading that apply to the entity's key management personnel.*  
*12.12.3 Any trading which is not subject to the entity's trading policy.*  
*12.12.4 Any exceptional circumstances in which the entity's key management personnel may be permitted to trade during a prohibited period with prior written clearance.*  
*12.12.5 The procedures for obtaining prior written clearance for trading under rule 12.12.4.*
3. *Guidance Note 27 – "Trading Policies"*, which was published to assist listed entities to comply with their obligations under listing rules 12.9, 12.10 and 12.12.
4. The Companies Update dated 13 August 2010, notifying listed entities of their obligation to comply with the requirements in listing rules 12.9 and 12.12, effective from 1 January 2011.
5. The Companies Update dated 9 December 2010, reminding listed entities of their obligation to comply with the requirements in listing rules 12.9 and 12.12, effective from 1 January 2011.

ASX Limited ("ASX") attaches particular importance to encouraging a consistently high standard of listed entities' disclosure in respect of trading policies.



Our records indicate that, despite the reminders mentioned above, the Company has not yet lodged with ASX a trading policy in compliance with listing rules 12.9 and 12.12.

ASX notes that the Company's securities have been suspended since Monday, 1 March 2010. ASX reminds the Company of its contract with ASX to comply with the listing rules. This obligation is not affected by the suspension of the Company's securities from trading (see listing rule 18.6).

In the circumstances ASX requires the Company to answer the following questions:

1. Please explain why the Company has not lodged a trading policy with ASX.
2. Please advise when the Company expects to lodge a trading policy with ASX in compliance with listing rules 12.9 and 12.12.

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 (i.e. **before 9.30 a.m. A.E.D.T.**) on Friday, 4 February 2011.

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.

ASX notes that the suspension in quotation of the securities of the Company will continue until the listed entity releases to the market a trading policy that is compliant with the listing rules. This is in addition to any other requirements that the Company must meet for reinstatement to quotation.

Please note that ASX Compliance has discretion not to reinstate a listed entity should it fail to comply with the listing rules, the spirit of the listing rules or be unable to disclose information to the market as requested by ASX or required by listing rule 3.1.

If you have any queries about this letter, please contact me immediately.

Yours sincerely,

*(sent electronically without signature)*

Emma Badhni

**Senior Adviser, Listings (Sydney)**