



ABN 32 009 220 053

ASX: ATP

19 October 2010

Ms J Cutri  
Assistant Manager  
Australian Stock Exchange  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Jenny

Re: Breach of Listing Rule 3.19B

Further to your letter of 14 October, we respond as follows:

1. The Appendix 3Y relating to Mr Birkbeck was lodged after a review was conducted by Mr Birkbeck which showed a discrepancy between his and the Company's records in relation to his share holding in Atlas South Sea Pearls Ltd ("Atlas"). The Appendix 3Y filing on 6 October 2010 was made as soon as possible after the error was identified;
2. Upon appointment of a director, the Company enters into an agreement with the company regarding the obligations of the Director and Company to advise of their initial share holding of shares in the Company, any changes to this initial holding during their tenure as a director and their final shareholding upon resignation as a director. It is the obligation of the director to inform the Company of any trades that are made in the Company's securities;
3. Mr Birkbeck has advised the Company that he has put in place a more rigorous advice process with his share broker to advise the Company Secretary of any future transactions relating to the acquisition or disposal of any Atlas securities.

Yours sincerely

**SIMON ADAMS**  
Managing Director

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ASX Compliance Pty Limited  
ABN 26 087 780 489  
2 The Esplanade  
Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 (08) 9224 0003  
Facsimile 61 (08) 9221 2020  
Internet <http://www.asx.com.au>

14 October 2010

Mr Simon Adams  
Company Secretary  
Atlas South Sea Pearl Ltd  
43 York Street  
SUBIACO WA 6008

By email: [simon@atlassouthseapearl.com.au](mailto:simon@atlassouthseapearl.com.au)

Dear Simon

**Atlas South Sea Pearl Limited ("Company")**

We refer to the following:

1. Company's announcement lodged with ASX Ltd ("ASX") on 6 October 2010 regarding a change in the director's interest for Mr Stephen Birkbeck ("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 an 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 an 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 an 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 interests occurred on 2- 7 December 2009 and 25- 27 August 2010. It appears that the Director's Notice in relation to the first transaction should have been lodged with ASX by 9 -16 December 2009 and 1- 3 September 2010. 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 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 [jenny.cutri@asx.com.au](mailto: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 20 October 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 must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

*(sent by electronic mail without signature)*

Jenny Cutri  
**Assistant Manager, Issuers (Perth)**