



ABN 32 009 220 053

16 May 2012

ASX: ATP

By fax: (08) 9221 2020
Kerrie Papamihail
Assistant Manager, Issuers (Perth)
ASX Limited
Level 9, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Kerrie,

Appendix 3Y – Change of Director's Interest

We refer to your letter of 16 May 2012 regarding the late lodgement of Appendices 3Y in respect of Messrs Stephen Birkbeck and Geoffrey Newman. As requested, please find below responses to the questions raised.

1 Please explain why the Appendix 3Y was lodged late.

The late lodgement of each Appendix 3Y was due solely to an administrative oversight by the previous company secretary. As soon as the Company made aware of the transactions immediate steps were taken to complete and lodge the necessary forms.

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?

Every director of the Company is aware of ASX Listing Rule 3.19A and their obligations to provide the necessary information to the Company to enable it to meet its disclosure requirements.

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?

The Company believes it has adequate arrangements in place to ensure compliance with ASX Listing Rule 3.19B. In addition to the Directors' undertakings, the requirement for full disclosure and conduct are

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embodied in the Company's corporate governance policies, including the Company's share trading policy. Clause 5.10 of the Company's share trading policy requires each director to notify the company secretary in writing of any dealing in Company securities within 5 business days of the dealing occurring. This breach was an administrative oversight and does not represent a systemic failure or a culture of non-compliance.

Yours sincerely
Atlas South Sea Pearl Limited



Stephen Gleeson
Company Secretary



ASX Compliance Pty Limited
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Perth WA 6000

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16 May 2012

Mr Stephen Gleeson
Company Secretary
Atlas South Sea Pearl Limited
PO Box 1048
Claremont WA 6910

By email: stepheng@atlassouthseapearl.com.au

Dear Stephen

Atlas South Sea Pearl Limited (the "Company")

We refer to the following:

1. The Company's announcements lodged with ASX Ltd ("ASX") on 2 April 2012 regarding a change in the directors' interests for Stephen Birkbeck and Geoffrey Newman ("Appendices 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 Appendices 3Y indicate that a change in the Directors' notifiable interests for Mr Birkbeck and Mr Newman occurred on 22 March 2012. It appears that the Appendices 3Y should have been lodged with ASX by 29 March 2012. 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 Appendices 3Y were 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 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 **7:30 am WST on Monday, 21 May 2012.**

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 electronically without signature]

Kerrie Papamihail
Assistant Manager, Issuers (Perth)