



2 December 2010

Elizabeth Harris
Australian Securities Exchange

By email: Elizabeth.Harris@ASX.com.au

Dear Elizabeth,

I refer to your letter dated 2 December 2010 concerning the late lodgement of the Appendices 3Y for Mr Dennis Morton and Mr David Munns.

The company regrets the late lodgement of the Appendices 3Y and apologies for any unintended consequences that may have resulted from this situation. The company's policy is to always ensure compliance with all ASX and statutory requirements.

With reference to the specific questions raised in your letter we advise the following:

Q1: *Why the Appendices 3Y were lodged late?*

The information in relation to the acquisition of shares and options by Mr. Morton and Mr Munns following acceptances of offers under a rights issue was confirmed by those directors to the company on 1 December 2010 after they have received their holding statements in the mail and the Appendices 3Y were prepared and lodged with ASX the same day.

Mr Munns was travelling overseas and only able to give confirmation on 1 December 2010 after he has arrived at his office. Mr Morton was waiting to include his second acquisition as underwriter to the rights issue which was due to occur on 29 or 30 November 2010. Unfortunately this second allotment to Mr Morton did not occur on 30 November 2010 and it was decided to lodge a first Appendix 3Y immediately the next day on 1 December 2010 and to lodge a second Appendix 3Y after he has received confirmation of his second allotment as underwriter. That second allotment occurred overnight on 1 December 2010 and an Appendix 3Y has been timely lodged earlier today.

Q2: *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?*



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2 December 2010

Mr Patrick Sam Yue
Director
Gas2Grid Limited
C/- Mitchell Partners
Level 7
10 Barrack Street
SYDNEY NSW 2000

Dear Patrick

Gas2Grid Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 1 December 2010 regarding a change of director's interest notice for Mr Dennis Morton and Mr David Munns ("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



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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.

As the Appendices 3Y indicate a change in Messrs Morton's and Munns' notifiable interest occurred on 23 November 2010 the Appendices 3Y should have been lodged with the ASX by 30 November 2010. As the Appendices 3Y were lodged on 1 December 2010 it appears that 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 e-mail to Elizabeth.Harris@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 **4:00PM WST on Tuesday 7 December 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

A handwritten signature in black ink, appearing to read 'Elizabeth Harris'.

Elizabeth Harris
Senior Adviser, Listings (Perth)