



13 November 2008

Elizabeth Harris  
Australian Securities Exchange  
By email: Elizabeth.Harris@ASX.com.au

Dear Ms. Harris

I refer to your letter dated 12 November 2008 concerning the late lodgement of the Appendix 3Y for Dennis Morton.

The company regrets the late lodgement of the Appendix 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 was the Appendix lodged late?*

The information in relation to the purchase of shares by Mr. Morton was received by the company secretary on the afternoon of Friday 7 November 2008. The Appendix 3Y was prepared the next business day and a copy provided to Mr. Morton for his perusal to confirm the accuracy of the information recorded in the Appendix 3Y prior to lodgement with ASX. Once confirmation of accuracy was received the Appendix 3Y was lodged immediately.

*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?*

At the time of appointment a director is required to sign a letter agreement setting out the initial, ongoing and final disclosure information requirements in respect of the director's notifiable interests. The letter agreement affirms that the director is to supply the necessary information as soon as reasonably possible after the date of appointment (for initial disclosure) / date of change in notifiable interests (for ongoing disclosure) / date of ceasing to be a director (for final disclosure) and in any event no later than three business days after the date of appointment/ change / cessation.

**Q3:** *If the current arrangements are inadequate or not being enforced, what additional steps do the company intend to take to ensure compliance with listing rule 3.19B?*

The company considers it's current arrangements to be adequate. The recent breach was the result of an oversight by the director involved. The company has contacted all current directors to reaffirm their responsibility to provide information to the company in relation to their notifiable interests in accordance with their signed agreements and to be alert to and observant of the time constraints agreed to for the supply of that information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Danielson', with a long horizontal flourish extending to the right.

**Steven J. Danielson**  
Company Secretary



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12 November 2008

Mr Steven Danielson  
 Company Secretary  
 Gas2Grid Limited  
 c/- Mitchell and Partners  
 Level 7 10 Barrack Street  
 SYDNEY NSW 2000

By Facsimile: (02) 9299 8195

Dear Steven

**Gas2Grid Limited (the "Company")**

**Appendix 3Y – Change of Director's Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 11 November 2008 for Dennis Morton;
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 1 January 2002
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or 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 Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

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

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Australian Stock Exchange  
 Sydney Futures Exchange

Australian Clearing House  
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
 Austraclear

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 listing rules 3.19A and 3.19B.

As the Appendix 3Y for Mr Morton indicated that a change in the director's relevant interest occurred between 28 October 2008 and 4 November 2008 it appears that the Appendix 3Y should have been lodged with ASX, in relation to the first tranche of shares, by 5 November 2008. As the Appendix 3Y was lodged on 11 November 2008 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. Why was the Appendix 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 do the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email at [Elizabeth.Harris@ASX.com.au](mailto: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 half an hour before the start of trading (i.e. before 7:30am WDST) on Friday 14 November 2008.

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 suitable form for release and should separately address each of the questions asked.

If you have any queries or concerns please contact me immediately.

If you have any queries please let me know.

Yours sincerely,



Elizabeth Harris  
**Senior Adviser, Issuers (Perth)**

Direct Line: (08) 9224 0011