

7 July 2016

Cheng Tang  
Adviser, Listing Compliance Melbourne  
ASX Compliance

By email: [cheng.tang@asx.com.au](mailto:cheng.tang@asx.com.au)

Dear Ms Tang,

**RE: Appendix 3Y – Change of Director’s Interest Notice**

We refer to your letter dated 4 July 2016 in relation to the late lodgement of two Appendix 3Y forms on 4 July 2016 and respond as follows to the questions raised:

1. Please explain why the Appendices were lodged late.

The lodgement of the Appendix 3Y was delayed due to an administrative oversight. The Company’s internal processes identified the expiry of the options and notified the share registry of the change in interest and lodged the required Appendix 3B.

2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company maintains an internal register of Director interests which is periodically confirmed by each Director. On the expiry of options, the share registry is notified and the relevant Appendices are lodged. In this case, the Company’s internal process requirement to lodge the Appendix 3Ys was delayed due to an administrative oversight as above.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

The Company considers that its current arrangements are adequate and that additional steps are unnecessary in the circumstances.

Yours sincerely



Scott Hosking  
**Company Secretary**



4 July 2016

Mr Kevin Lock  
Level 25, 367 Collins Street  
Melbourne VIC 3000

By email: KLock@karoongas.com.au

Dear Mr Lock

**Karoon Gas Australia Limited (the "Entity"): Appendix 3Y – Change of Director's Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Entity with ASX for Mark Smith and the Appendix 3Y lodged by the Entity for Robert Hosking on Monday, 4 July 2016 (the "Director Notices").
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 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) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete 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 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.

The Appendices indicate that a change in Director's notifiable interest occurred on 9 June 2016. It appears that the Directors Notices should have been lodged with ASX by 17 June 2016. Consequently, the Entity may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity 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*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendices was lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B 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 Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at [cheng.tang@asx.com.au](mailto:cheng.tang@asx.com.au). It should not be sent to the ASX Market 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 (ie before 9.30 a.m. A.E.S.T.) on Thursday, 7 July 2016.

Under listing rule 18.7A, a copy of this letter 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 about any of the above, please contact me immediately.

Yours sincerely  
*[Sent electronically without signature]*

Cheng Tang  
**Adviser, Listings Compliance (Melbourne)**