



15 July 2008

Gonzalo Valencia
Senior Adviser, Issuers
Australian Securities Exchange Limited
Level 45 South Tower Rialto
525 Collins Street
Melbourne VIC 3000

Dear Gonzalo

Requirement for listed companies to notify ASX of directors' shareholdings in the Company

I refer to your letter to the Company dated 11 July, and confirm that the Company has the following arrangements in place to ensure that any changes in directors' holdings or interests in the Company are notified to ASX within 5 business days.

1. Upon initial appointment, each Director is required to sign a 'Consent to Act as Director' form which includes the requirement to list any holdings or interests in the Company and an undertaking to notify the Company immediately of any change to such holdings or interests.
2. The Company's Share Trading Policy requires all Directors to only acquire or dispose of a holding or interest in the Company's securities within certain 'windows' of time or only if advised in advance to the Chairman.
3. The Company's Share Trading Policy is reviewed every year.
4. Directors are required to advise the Company Secretary in writing the details of any acquisition or disposal of a holding or interest in the Company's securities immediately such a transaction occurs.

On this occasion, the Appendix 3Y in question was lodged late due to an oversight by the Director. You will note the volume of the trade was quite small; in fact, it was part of an overall order that the Director had placed. The Director advises that when reviewing his portfolio and cancelling the open order so he would conform to the Company's Share Trading Policy he did not notice that such a small part of the total order had been filled. The Director also advises that at a later time he then found that the electronic receipt for the small part of the transaction had been filtered through spam and as a result did not appear in his 'in box' but was lodged in a 'spam' folder where it was not immediately visible.

The Directors are of the view that the current arrangements are adequate and accept that this recent oversight is an exceptional occurrence.

Please contact me if you have any further questions in relation to this matter.

Yours sincerely
Sophie Karzis
Company Secretary

For personal use only



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Ms Sophie Karzis
Company Secretary
Gale Pacific Limited
145 Woodlands Drive
Braeside VIC 3195

11 July 2008

By e-mail only

Dear Sophie

Gale Pacific 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 7 July 2008, for Mr George Richards.
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). 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.

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 Appendix 3Y indicated that a change in the director's relevant interests occurred on 26 June 2008, it appears that the Director's Notice should have been lodged with ASX by 3 July 2008. 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 return e-mail or by facsimile on facsimile number (03) 9614 0303. 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 (ie before 9.30 a.m. A.E.S.T.) on Tuesday, 15 July 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 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]

Gonzalo Valencia
Senior Adviser, Issuers