



NARACOOTA
Resources Ltd

31 July 2012

Jill Hewitt

Senior Advisor, Issuers (Perth)

ASX Compliance Pty Ltd

Level 8, Exchange Plaza

2 The Esplanade

PERTH WA 6000

via email: jill.hewitt@asx.com.au

Dear Jill

We refer to your letter dated 30 July 2012 regarding the lodgement of the appendix 3Y and advise as follows: -

1. The director's wife placed an order with her broker to purchase 100,000 shares which due to market conditions took a number of days to complete (i.e. 19-25 July). The Company was advised of these details on Friday afternoon July 27 once the transaction settled, and lodged details of this first thing on Monday 30 July 2012. Please note that less than 3% of the transaction had occurred on the date to which your letter refers being 19th July.
2. The Company is well aware of its responsibilities under ASX listing rule 3.19A as set out in its Share Trading Policy.
3. Not applicable.

Yours sincerely

DANIEL HEWITT

COMPANY SECRETARY



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30 July 2012

Mr D Hewitt
Company Secretary
Naracoota Resources Limited
75 King Street
Perth WA 6000

Email: dhewitt@naracoota.com.au

Dear Dan

Naracoota Resources Limited (the "Company") – Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 30 July 2012.
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.
 - 3.19A.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 indicated that the changes occurred between 19 July 2012 and 25 July 2012, it appears that the Appendix should have been lodged with the ASX prior to the close of business on 27 July 2012 for trades on the 19 July 2012. As the Appendix was lodged on 30 July 2012, 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 Appendix 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 e-mail at jill.hewitt@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 (ie before 6.30 a.m. W.S.T.) on Friday, 3 August 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 should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Jill Hewitt
Senior Adviser, Issuers (Perth)