



**GULLEWA
LIMITED**

ACN 007 547 480
ABN 30 007 547 480

Date: 11 Oct. 06

Ms Elizabeth Harris
Australian Stock Exchange Limited
Level 9
Exchange Plaza
2 The Esplanade
PERTH WA 6000

BY FACSIMILE: 61 9221 2020

Dear Ms Harris

RE: GULLEWA LIMITED (the "Company")

We refer to your letter dated 4 October 2006 to the Company regarding the Change of Director's Interest Notice ("**Appendix 3Y**") for Mr David Atkinson lodged with the Australian Stock Exchange ("**ASX**") on 27 September 2006. We also refer to our letter to you dated 27 September 2006 containing the requested information set out below.

Explanation of lodgement of Appendix 3Y later than the timeframe set out in listing rule 3.19A

The Appendix 3Y was lodged later than the listing rule 3.19A timeframe as the director did not disclose to the Company the changes to his notifiable interests. In respect of directors' options the Company lodged on 26 October 2005 the notice of the 2005 annual general meeting ("**AGM**") held on where the issue of directors' options was notified business. The AGM results on 30 November 2005 (all resolutions were carried) were lodged that day. An Appendix 3B was lodged on 5 December 2005 for the issue of the directors' options. By these lodgements information concerning the directors' options was released to the market in a timely and transparent fashion. Although Appendix 3Y's were not lodged at the same time as the Appendix 3B, the Company immediately lodged them once the oversight was identified.

Level 2 Quantum House
49-51 York Street
SYDNEY NSW 2000 AUSTRALIA
Telephone: 61 2 9397 7555
Fax: 61 2 9397 7575

Email:
info@gullewa.com

Web Address:
<http://www.gullewa.com>

Details of arrangements to ensure compliance with listing rule 3.19A

The Company has agreements with each of its directors in the form of attachment 1 to Guidance Note 22 issued by the ASX on *Director Disclosure*. The matter of directors' interests is an agenda item at all Company board meetings.

Details of additional steps required to ensure compliance with listing rule 3.19B

Copies of your letter, Guidance Note 22 and listing rule 3.19A have been provided to each director who confirmed they understand their disclosure obligations to the Company and reaffirmed their commitment to notify the Company of changes to their notifiable interests in sufficient time ensure the Company complies with listing rule 3.19A.

Please contact Mr David Deitz on 0411 858 830 if you have any queries.

Yours sincerely



David Deitz
Chairman

Level 2 Quantum House
49-51 York Street
SYDNEY NSW 2000 AUSTRALIA
Telephone: 61 2 9397 7555
Fax: 61 2 9397 7575

Email:
info@gullewa.com
Web Address:
<http://www.gullewa.com>



ASX
AUSTRALIAN STOCK EXCHANGE

FAKED
4 October 2006

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6940

Telephone 61 9224 0011
Facsimile 61 9221 2020
Internet <http://www.asx.com.au>

Mr Stephen Dick
Company Secretary
Gullewa Limited
Level 2 Quantum House
49-51 York Street
SYDNEY NSW 2000

By facsimile: (02) 9299 1817

Dear Mr Dick

**Gullewa Limited
(the "Company")**

I refer to the Change of Director's Interest Notice ("Appendix 3Y") for Mr David Atkinson lodged with Australian Stock Exchange Limited ("ASX") on 27 September 2006.

ASX considers that investors in a listed company, and the market in general, have a legitimate interest in the trading of securities by directors. However, for this information to be useful to the market, it is essential that information about directors' holdings must be clearly presented and up-to-date.

As you would be aware, section 205G of the Corporations Act requires that a director of an entity listed on ASX must notify ASX of their security interests, which includes relevant interests in securities and agreements to acquire securities, within 14 days after each of the following occasions:

- The director's appointment
- The listing of the company; or
- Any change in the director's holding or interest.

Furthermore, ASX listing rule 3.19A requires that disclosure of a change in a director's notifiable interests must be made within 5 business days of the change occurring. To ensure that this disclosure is made within the specified timeframe, listed companies are required by listing rule 3.19B to make arrangements with their directors that will gather the information needed to comply with the listing rules.

On 19 October 2005, ASX issued a *Companies Update* to remind all listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director. The *Update* also outlined the action that ASX would take in relation to breaches of listing rules 3.19A and 3.19B. At the same time, ASX also issued a media release in relation

this issue and wrote to the company secretaries of all listed companies asking that this matter be drawn to the attention of the board.

ASX has reviewed the Appendix 3Y that was lodged by the Company on 27 September 2006, advising of the change in Messrs Atkinson's holding as a result of the disposal of shares by Mr Atkinson between 1 October 2004 and 24 February 2006. ASX is concerned that the Appendix 3Y in relation to the disposal of shares was not lodged within the timeframe required by listing rule 3.19A and that the lodgement of this document exceeded that timeframe set out in the listing rules by up to two nearly 2 years.

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", ASX would like the Company to respond to the following questions.

1. Why was the Appendix 3Y lodged later than the timeframe set out in listing rule 3.19A?
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 are not being enforced, what additional steps does the Company intend to take to comply with listing rule 3.19B?

Your response to this letter should be sent to me either by email to elizabeth.harris@asx.com.au or to the postal address on the letterhead by no later than 5.00pm W.S.T on Wednesday 11th October 2006. It should not be sent to Company Announcements Office.


ASX reserves the right under listing rule 18.7A to release this letter and the Company's response to the market. Accordingly, the response should be prepared in a format suitable for released to the market and separately address each of the questions asked.

ASX has also written separately to Mr Atkinson and also to Mr Deitz, the Chairman of the Company, advising of the breach of the listing rules and notifying them of the various letters that ASX has issued in response to the breach.

Please note that ASX is required to record details of breaches of the listing rules as part of its own reporting requirements. Depending on the nature of any further breach of listing rule 3.19A, ASX may take steps to refer the breach to ASIC for further action.

If you have any queries in relation to this matter, or would like to discuss the issues raised in this letter, please do not hesitate to contact me.

Yours sincerely,



Elizabeth Harris
Adviser, Issuers (Perth)