



ORPHEUS
Energy

8 July 2013

Mr Dale Allen
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Dale

RE: ASX Aware Query

We refer to your letter dated 1 July 2013 regarding:

1. The Entity's announcement entitled "Third Greenfields Coal Discoveries in Papua", lodged with the ASX Market Announcements Platform and released at 10:29 am on Thursday, 27 June 2013 (the "27 June Information"), disclosing the late May 2013 discovery of a third coal seam locality within the Entity's Pt Daya Mega Pelita concession located in Papua.
2. The Entity's announcement entitled "Orpheus Operations Update" lodged with the ASX Market Announcements Platform and released at 09:20 am on Wednesday, 12 June 2013 (the "12 June Information"), disclosing the April discovery of a coal outcrop in the headwaters of the Epawa River, which was separate to the initial discovery, but possesses similar qualities ("Second Discovery").

Having regard to Listing Rules 3.1, 3.1A and 3.1B and the definition of "aware" in Chapter 19 of the Listing Rules we respond to your queries as follows:

1. Does the Entity consider the 27 June Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

The answer is Yes.

The Company did become aware of some incomplete field information prior to the relevant date (27 June 2013) the Company first disclosed to the market in the ASX release dated 12 June, on page 3 under the heading:

"PT. Daya Mega Pelita Project, Papua", where the Company stated that: "In May, a third greenfields exploration traverse went up the Amewa River from a west to east direction, across the midsection of the southern portion of the concession and also found two additional coal outcrops in the Budewa River area, just north of, and flowing into the Amewa River".

The announcement went on to say that "the third batch of samples, whilst yet to be analysed" advising that these three samples from this area had at that time not yet gone to the laboratory for analysis, and so therefore, the analysis figures could not be quoted. Hence, the separate later

ASX release of 27 June 2013, wherein all the details relating to this 3rd exploration traverse were disclosed.

The Company had already released to the market on 1 March 2013, in the ASX announcement entitled "Orpheus Makes Greenfields Coal Discovery in Papua, Indonesia" accompanying results from the first Papuan exploration exercise, and advising that further field work in this concession would be carried out.

The proposed field work was in Waropen Kabupaten (Local Government Area ie Shire etc) where ground infrastructure (such as roads), is minimal. Much of this river traversing had to be done on foot. Therefore, the time frame from undertaking the field work to completion of the final report (for ASX release) had many delays in the communications chain. No mobile phone coverage, plus walking in and out, coastal boat travel, as well as light and heavy aircraft travel meant there were many days before field staff and samples returned to a major city.

There were further delays in sample preparation for air cargo (coal is regarded as a dangerous good; potentially explosive) so has to be specially packaged and sealed before being air freighted to a recognised laboratory in a major city such as Jakarta (Java) or Banjarmasin (Kalimantan). Time delays were also experienced in travelling to the Company's Jakarta office, and in the preparation and finalisation of maps and reports before they were received in Sydney and incorporated in reports for release to the ASX.

Specifically, in the case of the 27 June Announcement, where a third traverse was discussed, it was commenced on 27 May and was concluded on 6 June. Sample analysis data was not received until late June, at which time maps were prepared and a draft announcement was drafted. The assay results delay further delayed the announcement preparation, as the company wanted to present a table of complete results (for comparison purposes) of all three field trips, to better inform shareholders of progress.

2. N/A

3. The Company first became aware of the 27 June Information, as detailed above.

4. The Company's announcement on 12 June 2013 disclosed information prior to the relevant date.

5. Does the Entity consider the 12 June Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

The answer is Yes.

The company thought it timely to bring the market up to date on our operations, hence the 12 June ASX Release.

The Company wanted to inform the market on progress on coal sales and other current operational matters, such as the exploration activities leading up to a drilling program in East Kalimantan on the Company's B4 project, and the Papuan project where the third field trip had just been completed. As outlined above, this third field trip had just been completed, but assay results were still weeks away, as were the compilation of maps and other data.

Therefore, it was outlined in brief, and mention was made of further work in this and in other concessions. The same explanations of time delays (as outlined above) applied to this ASX Release as to the following 27 June 2013 announcement.

6. N/A

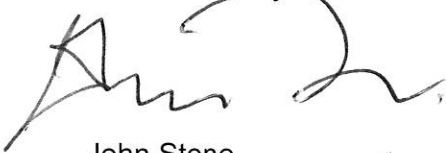
7. The Company became aware of the items under discussion in the 12 June announcement just prior to the announcement. The coal sales outlined were in April, May and early June, so when the Company received the final sales figures for these three months, just prior to the announcement, the Company thought the market should be informed.

While the Company was aware in late April that a further coal outcrop had been seen at a new locality in Papua (up the Epawa River) the Company determined that information about the sighting was insufficiently definite to release to the market. The Company always adopts a conservative approach to its geological reporting and rather than potentially "ramp" the stock on very limited information at the time, it was deemed prudent to wait until data relating to the program was comprehensive enough to warrant disclosure.

8. See response to Question 7.

9. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Stone', written over a horizontal line.

John Stone
Company Secretary



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1 July 2013

Mr John Stone
Company Secretary
Orpheus Energy Limited
Level 12, 179 Elizabeth Street
Sydney NSW 2000

jstone@orpheusenergy.com.au

Dear John

Orpheus Energy Limited (the "Entity"): ASX aware query

ASX Limited ("ASX") refers to the following:

1. The Entity's announcement entitled "Third Greenfields Coal Discoveries in Papua" lodged with ASX Market Announcements Platform and released at 10:29 am on Thursday, 27 June 2013 (the "27 June Information"), disclosing the late May 2013 discovery of a third coal seam locality within the Entity's Pt Daya Mega Pelita concession located in Papua.
2. The Entity's announcement entitled "Orpheus Operations Update" lodged with ASX Market Announcements Platform and released at 09:20 am on Wednesday, 12 June 2013 (the "12 June Information"), disclosing the April discovery of a coal outcrop in the headwaters of the Epawa River, which was separate to the initial discovery, but possesses similar qualities ("Second Discovery").
3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
4. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed."*
5. ASX's policy position on the concept of "confidentiality" which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "Listing Rule 3.1A.2 – the requirement for information to be confidential"*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the 27 June Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the 27 June Information?
4. If the answer to question 1 is "yes" and the Entity first became aware of the 27 June Information before the relevant date, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Does the Entity consider the 12 June Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is "no", please advise the basis for that view.
7. If the answer to question 5 is "yes", when did the Entity first become aware of the 12 June Information?
8. If the answer to question 5 is "yes" and the Entity first became aware of the 12 June Information before the relevant date, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
9. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before

9.30 a.m. AEST) on Wednesday, 3 July 2013. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au or by facsimile to 08 9221 2020. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dale Allen
Adviser, Listings Compliance (Perth)