



ASX Limited  
20 Bridge Street  
Sydney NSW 2000

9th May 2013.

Attn: Patrick McCarthy

Dear Patrick,  
Appendix 3Y lodged late on 7 May 2014.

In response to your letter dated 8th May 2014, regarding the late submission of the Appendix 3Y lodged on 7th May 2014, we respond to your three questions as follows:

**Question 1. Please explain why the Appendix was lodged late.**

The Appendix 3Y was lodged late due to an administrative oversight. The absence of the relevant Appendix 3Y on the ASX announcements platform was discovered in a routine legal audit of the company's records, and the form was lodged immediately upon identification of the error. The background to the grant of the relevant securities is as follows.

At the PNR Annual General Meeting held on 22 November 2013, PNR's shareholders approved the grant of 2,000,000 incentive options and 2,000,000 incentive performance rights all expiring on 21 November 2016 (**New Securities**) to the Managing Director Paul Cmrlec. Full details of the New Securities were disclosed in the notice of AGM (Resolution 4) that was released to the ASX on 21 October 2013. The results of the AGM were lodged on ASX on 22 November 2013 and the Appendix 3B in respect of the grant of the New Securities was lodged on 25 November 2013.

The New Securities were granted to Paul Cmrlec as existing incentive options and performance rights are due to expire on 23 June 2014 in circumstances where the options will be unlikely to be exercised prior to the expiry date (due to the exercise price significantly exceeding the share price) and the performance rights will be unlikely to vest (**Existing Securities**). The board of directors considered that the existing incentive performance rights would be unlikely to vest in accordance with their terms due to changed company circumstances and market conditions.

**Pacific Niugini Limited**  
ABN: 30 003 207 467

*Telephone:* +61 (7) 3367 3996  
*Fax:* +61 (7) 3368 2998  
*Email:* admin@niugini.com.au  
*Web:* www.niugini.com.au

*Postal Address:*  
PO Box 1578  
Toowong QLD 4066  
Australia

*Head Office:*  
Unit 14, 46 Douglas Street  
Milton QLD 4064  
Australia

The company initially considered canceling the Existing Securities at the same time that the New Securities were granted. Lodgment of the Appendix 3Y was initially delayed while the Company sought advice regarding methodology for cancellation of the Existing Securities. The Company subsequently received advice that the Existing Securities should not be cancelled but should instead be left to expire for accounting and legal reasons. Due to this delay, and a consequent administrative oversight, the lodgment of the Appendix 3Y was not completed.

**Question 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?**

The Company and all directors are aware of the requirements of listing rule 3.19A. The Company has entered into Directors Interests Agreements with all directors in accordance with ASX Guidance Note 22. In addition the Company has a Securities Trading Policy dealing with this under its Corporate Governance Policies with strict guidelines on the acquisition or disposal of shares including a requirement for the company secretary to be notified of any share trading to ensure that the appropriate notifications are lodged.

**Question 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?**

The Company is of the view that current arrangements regarding changes to directors interests are adequate and are being enforced. The Company will however review its procedures to ensure future compliance with this requirement.

It is noted that the circumstances surrounding this particular event were with regard to a grant of securities originated by the Company and authorised by the Board and by shareholders in general meeting. Directors and shareholders of the Company were fully aware of the grant of the New Securities, there was no attempt at concealing information and the failure to lodge the necessary Appendix 3Y was purely an administration oversight due to unusual circumstances, as explained in the answer to Question 1 above.

Yours faithfully,



D J Lovell – Company Secretary

**Pacific Niugini Limited**

ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996

Fax: +61 (7) 3368 2998

Email: [admin@niugini.com.au](mailto:admin@niugini.com.au)

Web: [www.niugini.com.au](http://www.niugini.com.au)

Postal Address:

PO Box 1578

Toowong QLD 4066

Australia

Head Office:

Unit 14, 46 Douglas Street

Milton QLD 4064

Australia