

18 March 2011

Stephanie Yong
Senior Adviser, Listings (Sydney)
ASX Compliance Pty Ltd
20 Bridge St
Sydney NSW 2000

Dear Stephanie,

Salmat Limited Appendix 3Y Notification of 17 March 2011

We are in receipt of your letter of 17 March 2011 re the above topic. Salmat Limited takes it's obligations to fully comply with all ASX Listing Rules seriously. In this instance we acknowledge we were two days late in lodging this Appendix 3Y. We respond to your three questions as follows:

1. The Appendix 3Y was late because we did not receive details of the trade from the Director.
2. Arrangements have been put in place for all future share transactions to be immediately notified to both the Director and to Salmat Limited.
3. We are confident that with the addition of the above step and with our existing compliance practices, we will be fully compliant with listing rule 3.19B.

Yours sincerely



Stephen Bardwell
Company Secretary
Salmat Limited



17 March 2011

Stephen Bardwell/ Kevin Sheedy
Salmat Limited
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North Sydney NSW 2060

By email

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20 Bridge Street
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Dear Stephen/ Kevin,

**Salmat 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 Limited ("ASX") on 17 March 2011 for Mr Philip John Salter (the "Appendix 3Y");
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.

The Appendix 3Y indicates that a change in Mr Salter's notifiable interest occurred on 7 March 2011. It appears that the Appendix 3Y should have been lodged with ASX by 15 March 2011, the latest. As the Appendix 3Y was lodged on 17 March 2011, it appears that the Group 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 a return e-mail or by facsimile on facsimile number (02) 9241 7620. 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 **COB on Tuesday, 22 March 2011**.

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

Please feel free to contact me if you have any queries on the above.

Yours sincerely



Stephanie Yong
Senior Adviser, Listings (Sydney)