



23 September 2015

Ben Tippett
Advisor, Listing Compliance ASX
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Ben

Falcon Minerals Limited - Response to Appendix 3Y Breach Notice

We refer to your letter dated 22 September 2015 in relation to the late lodgement of the Change in Director's Interest Notice for Mr Ronald Smit, specifically to the expiring of unlisted options that occurred on 30 June 2015. The notification of expiry of unlisted options was lodged with the ASX on 22 September 2015 along with the notification of a change of fully paid shares held by Mr Smit. In accordance with ASX Listing Rule 3.19A the lodgement of the expiry of the unlisted options should have occurred within 5 business days after the change occurred.

The responses below are as per the three specific queries as set out in your letter:

1. The Company made an ASX announcement on 1 July 2015 regarding the lapse of the unlisted options. Unfortunately, the Change of Director's Interest indicating that the lapse of 4,000,000 options were held by Mr Smit was not lodge. This was an oversight by Mr Smit and the Company. The delay in lodgement represents an isolated incident and involved the expiry of options, which arose, not as a result of an active trade by the Mr Smit, but rather as a result of the option expiry.
2. The Company is aware of the continuous disclosure requirements of Listing Rule 3.19A and has specific processes and requirements in place whereby each Director is obliged to inform the Company Secretary of any change in their holdings in the Company and this is confirmed regularly at Director's meetings. The Company also has a clearly defined Share Trading Policy that requires all trades to be reported to the Company Secretary. In this case no such notification was forthcoming because it was not an active trade by a Mr Smit, but simply an expiry of options.
3. This delay in lodgement has led the Company to add an automatic procedure following the expiry of any options in the future, whereby the Company Secretary will review the holdings of Director's at each option expiry date.

The Company is confident that this additional procedure will detect any changes in a Director's holding, as a result of an expiry of options, therefore avoiding any delays in the reporting of these changes in the future. Should you have any queries or require clarification please call the office on (08) 9382 1596

Yours faithfully,

A handwritten signature in black ink, appearing to be 'D. Calder', written in a cursive style.

Dean Calder
Company Secretary
Falcon Minerals Ltd



22 September 2015

Dean Calder
Company Secretary, Falcon Minerals Limited
PO Box 8319
Subiaco East WA 6008

By Email

Dear Mr Calder,

Falcon Minerals Limited (the “Company”) – Appendix 3Y

I refer to the following:

1. The Company’s announcement lodged with ASX Ltd (“ASX”) on 22 September 2015 regarding, amongst other things, a change of director’s interest notice for Mr Ronald Smit (“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 an 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) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete an 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 an 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.

As the Appendix 3Y indicates that a lapse of 4,000,000 unlisted options held by Mr Smit occurred on 30 June 2015, the Appendix 3Y should have been lodged with the ASX by 7 July 2015. As the Appendix 3Y was lodged on 22 September 2015, 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 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 e-mail to Ben.Tippett@asx.com.au. 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 **7:30 am WST on Friday 25 September 2015**.

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.

Yours sincerely,

[sent electronically without signature]

Ben Tippett
Adviser, Listings Compliance (Perth)