

Deep Yellow Limited

3 May 2012

Australia Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Attention: Mr Shree Prabhakaran

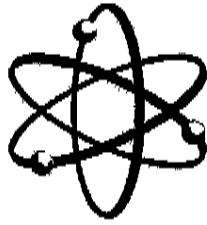
By email: shree.prabhakaran@asx.com.au

Dear Sir,

ASX Query Letter

In response to your correspondence dated 1 May 2012 regarding increases in the Company's share trading volumes and in respect to an announcement released to ASX on Tuesday 24 April 2012, the Company's response is as follows:

1. The Company considers the ultimate resolution of the matters contained in the announcement to be material to the Company, however as noted in the announcement discussions between the relevant parties have been recently initiated.
2. The matter discussed in the announcement of 24th April has been known to the market since October 2006. The Company has been considering resolution of the matter for some time, however recent decisions announced by the Company have increased the potential for likely resolution.
3.
 - 3.1 On 24 April 2012 the Company announced it had initiated discussions for the termination of an earn-out rights agreement in place since late 2006. Whilst the resolution of the matter would be significant and discussions are ongoing the Company does not consider that an announcement relating to discussions or the requesting of a trading halt would have been appropriate at an earlier time.
 - 3.2 The Company does not believe that it was able to disclose anything of any conclusivity to the market in relation to the matters announced on 24 April 2012 at an earlier time because the exceptions set out in listing rule 3.1A apply to this information.
4. N/A
5. The Company confirms it is compliance with listing rule 3.1



Deep Yellow Limited

The Company's advises that trading volumes in its quoted shares have on numerous occasions exceeded those to which ASX has referred and given the number of shares in issue the Company does not believe the volumes were unusual.

Should you require any further clarification please do not hesitate to contact the undersigned.

Yours sincerely

Mark Pitts
Company Secretary

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www.asx.com.au

1 May 2012

Mr Mark Pitts
Company Secretary
Deep Yellow Limited

By Email: markp@endeavourcorp.com

Dear Mark

Deep Yellow Limited (the "Company")

We refer to:

- the increased volume of trading in the Company's securities on Friday 20 April 2012 and Monday 23 April 2012; and
- the Company's announcement released to ASX on Tuesday 24 April 2012 at 10:57am (EDST) titled "Discussion Initiated with Raptor Partners to Terminate Namibian Earn-out Rights" ("Announcement").

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

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

Further, we wish to draw your attention to listing rule 3.1 which requires an 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. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 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.*
 - The information is a trade secret."*

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"Confidential' in this context has the sense of 'secret'.

*...
Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts' reports".*

Having regard to the Announcement, the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, 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 Company consider the information in the Announcement to be material to the Company pursuant to listing rule 3.1?
2. When did the Company become aware of the information in the Announcement? Please include details of the relevant time and circumstances of the Company becoming aware of the information in the Announcement.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the information in the Announcement (or any part of it) prior to the release of the Announcement, please advise the following:
 - 3.1. Please advise why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time?
 - 3.2. Why was the information in the Announcement not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1.

4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the information in the Announcement to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00pm (WST) on Thursday 3 May 2012.

Your response should be sent to ASX by facsimile on facsimile number (08) 9221 2020 or via email to shree.prabhakaran@asx.com.au. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me.

Yours sincerely,

[sent electronically without signature]

Shree Prabhakaran
Adviser, Listings (Perth)

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