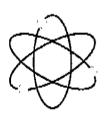
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DEEP YELLOW LIMITED

ABN 97 006 391 948

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Tel: 61 8 9286 6999 Fax: 61 8 9286 6969

Email: admin@deepyellow.com.au Website: www.deepyellow.com.au

16 January 2009

Mr Nathan Bartrop Advisor Issuers Australia Securities Exchange Level 8, Exchange Plaza 2 The Esplanade Perth WA 6000

By email: nathan.bartrop@asx.com.au

Dear Sir.

I refer to your letter dated 15 January 2009 in relation to a recently lodged Appendix 3Y — Change in Directors Interest Notice and to the queries ASX has raised.

ASX

Q1. Please explain why the Appendix 3Y was lodged later than the timeframe set out in listing rule 3.19A?

Late lodgment of the Appendix 3Y was an oversight, as the change involved the expiry of the option term not a purchase or disposal.

ASX

Q2. 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 has informed all Directors of the disclosure requirements set out in Listing Rule 3.19A. In addition the Company has previously adopted a governance policy on share trading which has been circulated to all Directors. This policy stipulates the need to consult with both the Managing Director and Company Secretary prior to and immediately after a trade in the Company's securities is contemplated by a Board member or employee.

ASX

Q3. If the current arrangements are inadequate or are not being enforced, what additional steps does the Company intend to take to comply with listing rule 3.19B?

The Company believes the current arrangements are adequate and does not believe any additional steps are required.

Yours sincerely

Mark Pitts

Company Secretary



ASX Markets Supervision Pty Ltd ABN 26 087 780 489 2 The Esplanade Perth WA 6000

GPO Box D187 Perth WA 6840

Telephone 61 8 9224 0000 Facsimile 61 8 9221 2020 www.asx.com.au



Mr Mark Pitts Company Secretary Deep Yellow Limited Level 1 329 Hay Street SUBIACO WA 6008

By facsimile: 9315 5475

Dear Mark

Deep Yellow 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 on 14 January 2009 for Martin Kavanagh.
- 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 1 January 2002.
 - 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 1 January 2002 or 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.
- 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

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Australian Securities Exchange

Australian Clearing House SFE Clearing Corporation ASX Settlement and Transfer Corporation

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.

As the Appendix 3Y for Mr Kavanagh indicated that a change in the director's relevant interests occurred due to options expiring on 31 December 2008, it appears that an Appendix 3Y should have been lodged with the ASX by 8 January 2009. As the Appendix 3Y was lodged on 14 January 2009, 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 at nathan.bartrop@asx.com.au or by facsimile on facsimile number 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later not later than half an hour before the start of trading (ie before 7.30 a.m. W.D.S.T.) on Tuesday, 20 January 2009.

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

If you have any queries, please contact me on 9224 0029.

Yours sincerely,

Nathan Bartrop

Adviser, Issuers (Perth)

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