

12 October 2016

Elizabeth Harris  
Principal Advisor, Listings Compliance  
Level 40, Central Park  
152-158 St Georges Tce  
Perth WA 6000

Dear Elizabeth,

**RE: APPENDIX 3X – RESPONSE TO QUERY – DRAGON ENERGY LTD (“COMPANY”)**

We refer to your letter dated 11 October 2016 relating to the late lodgement of the initial director’s interest notice (“Appendix 3X”) lodged on 28 September 2016. The Company provides the responses to your questions asked in your letter below:

**1. Please explain why the Appendix 3X was lodged late.**

The late lodgement was due to an inadvertent administrative oversight caused by an abnormally high workload relating to the acquisition of the Tabac project and subsequent promotional activities.

**2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its obligations under listing rule 3.19A.**

The Company has a policy requiring that the Company complies with its disclosure obligations, that directors notify the company secretary of all changes to a notifiable interest, and that the Company gives it to the ASX in accordance with the Listing Rules.

**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 has reviewed its policy and procedures to ensure future compliance with Listing Rule 3.19.

Yours Sincerely,

Keong Chan  
Company Secretary



11 October 2016

Mr Keong Chan  
Company Secretary  
Dragon Energy Limited  
Suite 8, 1297 Hay Street  
WEST PERTH WA 6005

*By email: keong.chan@lbcap.com.au*

Dear Mr Chan

**Dragon Energy Limited (the “Company”)**

We refer to the following:

The Company’s announcement lodged with ASX Ltd (“ASX”) on 28 September 2016 regarding an initial director’s interest notice for Jonathan King (“Appendix 3X”).

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). 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.*

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.*

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 3X indicates Jonathan King was appointed on 15 September 2016 the Appendix 3X should have been lodged with the ASX by 22 September 2016. As the Appendix 3X was lodged on 28 September 2016 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 3X 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 Elizabeth.Harris@ASX.com.au. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Thursday 13 October 2016**.

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]*

Elizabeth Harris  
**Principal Adviser, Listings Compliance (Perth)**