

20 December 2012

Dale Allen
Advisor
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email: dale.allen@asx.com.au

Dear Sir

RESPONSE TO LETTER DATED 18 DECEMBER 2012

We refer to your letter to Forge Group Limited (**Company**) on 18 December 2012 in relation to the Appendix 3Y lodged by the Company on 18 December 2012 for Gregory Knowles Kempton (**Appendix 3Y**). The Appendix 3Y relates to the on-market acquisition of 5,000 fully paid ordinary shares in the Company on 5 December 2012 by an entity associated with Mr Kempton (**Acquisition**).

The Company responds to the queries in your letter as follows:

- (a) The failure by the Company to lodge the Appendix 3Y within 5 business days of the Acquisition was due to an inadvertent failure by the Company to collate the information within the required timeframe. The Company will ensure this will not reoccur in the future.
- (b) To ensure compliance with ASX Listing Rule 3.19A, the Company imposes an obligation on every Director to notify the Company Secretary of any changes to securities he holds in the Company no later than 3 business days after the change or, in the event he begins to have or cease to have a substantial holding, the business day after the change. This obligation is set out in the Director's letter of appointment, as well as documents in the Director's pack given to each Director upon their commencement, including the Company's share trading policy and a document titled *Director's Disclosure Obligations*.
- (c) To ensure compliance with ASX Listing Rule 3.19B in the future, the Company will introduce a more robust induction process for new Directors in the future, including informing them of the requirements of ASX Listing Rule 3.19A and seeking appropriate acknowledgements from them prior to their commencement.

Yours sincerely



Andrew Bell
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
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

18 December 2012

Mr Andrew Bell
Company Secretary
Forge Group Limited
Level 1, 45 Stirling Highway
NEDLANDS WA 6009

By Email: Andrew.Bell@cimeco.com.au

Dear Andrew

Forge Group 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 18 December 2012 for Mr Gregory Knowles Kempton.
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.

As the Appendix 3Y indicated that changes in the directors' relevant interests occurred on 5 December 2012, it appears that the Appendix 3Y should have been lodged with the ASX by 12 December 2012. As the Appendix 3Y was lodged on 18 December 2012, 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 dale.allen@asx.com.au or facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible (i.e. before 4.00pm W.S.T.) on **Thursday 20 December 2012**.

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 should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,

[sent electronically without signature]

Dale Allen
Adviser, Listings Compliance (Perth)