



SEGUE
RESOURCES LTD



5 May 2011

ASX Code: SEG

Mr Wade Baggott
Senior Adviser, Listings (Perth)
ASX Compliance Pty Ltd
2 The Esplanade
Perth WA 6000

Dear Wade

Re: Appendix 3Y – Change of Director's Interest Notice

We refer to your letter dated 4 May 2011, in relation to the Appendix 3Y lodged by the company on 3 May 2011 for Mr Glenn Whiddon, and respond to the questions raised in your letter as follows:

1. Please explain why the Appendix 3Y was lodged late.

The company was made aware of the change of director's interest on 3 May 2011 and immediately lodged the necessary Appendix 3Y. The delay in notification to the company was as a result of a misunderstanding by the director's external advisers.

On 30 March 2011 an off market transfer, which was being handled by the director's external advisers, was executed in respect to the relevant shares, which was then subsequently processed by the company's share registry on 4 April 2011. The transfer of shares is subject to a deferred settlement in June 2011 and as such, the immediate requirement to notify the company pursuant to the ASX listing rules and the Corporations Act was not considered by the advisers.

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?

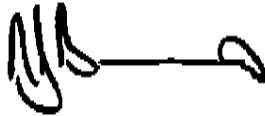
The Directors of the company are fully aware of and understand their obligations under listing rule 3.19A and section 205G of the Corporations Act.

The company has a standard "Consent to Act as a Director and Statutory Information" form which incorporates all the initial requirements to satisfy both Corporations Act and ASX listing rule requirements. The form also incorporates an obligation in relation to ongoing notification of any changes to reportable information. In addition, the company has a standard letter agreement in the form set out in attachment 1 of Guidance Note 22 of the ASX listing rules. The company's Corporate Governance Manual incorporates these disclosure obligations.

- 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 believes that the arrangements in place are adequate to ensure compliance with listing rule 3.19B, with the non-disclosure having resulted from the misunderstanding as detailed in 1 above, however the notification received from ASX has been circulated to all directors and they have been reminded of their obligations under listing rule 3.19A and section 205G of the Corporations Act.

Yours faithfully



Neville Bassett
Company Secretary

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**ASX**

AUSTRALIAN SECURITIES EXCHANGE

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4 May 2011

Mr Neville Bassett
Company Secretary
Segue Resources Limited
Level 8, 225 St Georges Terrace
PERTH WA 6000

By email

Dear Neville

**Segue Resources 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 3 May 2011 for Mr Glenn Whiddon;
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.

The Appendix 3Y indicates that a change in director's interests for Mr Whiddon occurred on 30 March 2011. As the Appendix 3Y was lodged on 3 May 2011 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 email at wade.baggott@asx.com.au or by 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 and, in any event, not later than **5:00pm WST on Friday 6 May 2011**.

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]

Wade Baggott
Senior Adviser, Listings (Perth)