

Information Policy

*Only the Managing Director and
Chairman are authorised to provide
media /analyst briefings.*

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1 Introduction

The purpose of this Information Policy is to set out the procedure for:

- protecting confidential information from unauthorised disclosure;
- identifying material price sensitive information and reporting it to the Company Secretary for review;
- ensuring PearlStreet Limited (the **Company**) achieves best practice in complying with its continuous disclosure obligations under the Corporations Act 2001 (Cth) (**Corporations Act**) and the Listing Rules of the Australian Stock Exchange (**ASX**); and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules (which carry serious penalties).

The Company has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (e.g. the Annual Report).

The maintenance of confidentiality is also of paramount importance to the Company both to protect its trade secrets and to prevent any false market for the Company's shares from developing.

This Information Policy does not address policies for directors and senior executives in buying and selling the Company's shares. These policies are set out in the Company's "Guidelines for Dealing in Securities".

2 Information Policy

2.1 Persons to whom this policy applies

This Information Policy applies to all directors of the Company and its subsidiaries, the Group Managing Director's direct reports and the Company Secretary, and those members of senior management who are most likely to be in possession of, or become aware of, the relevant information.

All the Company staff need to be aware of the existence of the policy and to be familiar with its terms so that they can assist with maintaining confidentiality and reporting potentially sensitive information to the appropriate persons within the Company.

2.2 The policy

The following procedures will apply to safeguard against breaches of the Company's continuous disclosure obligations:

- senior management must ensure that their staff are aware that they must not disclose confidential information of the Company (such as manuals,

- strategies or financial data) (**confidential information**) to any person outside the organisation;
- directors and senior management must immediately notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (**material information**) or any breach of confidence in relation to confidential information;
 - the Company Secretary will:
 - review the material information reported by senior management;
 - determine, in consultation with the Group Managing Director or the Chairman (as appropriate), whether any of the material information is required to be disclosed to the ASX; and
 - co-ordinate the actual form of disclosure with the relevant members of management.

2.3 Your obligations

You must ensure that members of staff for whom you are responsible are aware of, and periodically reminded of, their obligations of confidence to the Company in relation to confidential information and the importance of confidentiality in relation to the public market for the Company's shares.

As soon as you become aware of information that:

- is not generally available (i.e. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
- may be price sensitive (i.e. it is likely to have a financial or reputational impact upon the Company that may be considered material),

you must provide to the Company Secretary the following information:

- a general description of the matter;
- details of the parties involved;
- the relevant date of the event or transaction;
- the status of the matter (e.g. final/negotiations still in progress/preliminary negotiations only);
- the estimated value of the transaction;
- the estimated effect on the Company's finances or operations; and
- the names of any in-house or external advisers involved in the matter.

2.4 Analyst/Media Briefings

Information or presentations provided to, and discussions with, analysts, industry or professional bodies or any other person, are also subject to the continuous disclosure policy.

Material information must not be selectively disclosed (e.g. to analysts, industry or professional bodies, the media, customers or any other person) prior to being announced to the ASX. If you are proposing to present any material information

to analysts, professional bodies, journalists or customers, you should ensure that copies of your material are provided to the Company Secretary prior to presenting that information externally.

All inquiries from analysts must be referred to the Company Secretary. All material to be presented at an analyst briefing must be approved by or referred through the Group Managing Director prior to briefing.

All inquiries from the media must be referred to the Company Secretary.

All media releases and material to be presented (e.g. at seminars) must be approved by or referred through the Company Secretary prior to release to journalists or other professional bodies.

2.5 Interview / Briefing Black-out period

No employee may give a media interview or make a presentation to a media or industry group:

- in the period starting on 15 May 2006 and ending on the release of the Company's preliminary final results; or
- in the period starting on 15 November and ending on the release of the Company's half-yearly financial results,

without the specific permission of the Company Secretary.

An employee who is given permission by the Company Secretary to give an interview or make a presentation must notify the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Company Secretary.

The Company Secretary, in consultation with the Board, may impose additional periods in which interviews may not be given or presentations made without the specific permission of the Company Secretary. You will be notified of any such additional interview/briefing black-out period.

2.6 Sign-off of ASX releases

The Company Secretary will liaise with the Group Managing Director or the Chairman (as appropriate) in relation to the form of any ASX releases.

All ASX releases by the Company must be authorised by the Company Secretary and Group Managing Director prior to being transmitted to the ASX Company Announcements Office.

In addition, all ASX releases relating to the following matters must also be authorised by the Chairman:

- the financial results, forecasts or expectations of the Company;
- changes to board or executive composition or roles; and

- announcements in relation to significant transactions by the Company (such as material asset acquisitions or disposals, fundraisings or takeover bids) or developments which may impact upon the corporate standing or reputation of the Company (such as material litigation by or against the company, major OH&S occurrences or major environmental breaches).

2.7 Responsible person

The Company has nominated the **Company Secretary** as the person with primary responsibility for all communication with the ASX in relation to ASX Listing Rule matters.

Specifically, the Company Secretary is responsible for:

- liaising with the ASX in relation to continuous disclosure issues;
- ensuring that the Company's system for the disclosure of all material information to the ASX in a timely fashion is operating effectively;
- reviewing proposed announcements by the Company to the ASX and supervising the sign-off process for ASX releases described in section 2.6 above;
- liaising with the Board of Directors, as appropriate, in relation to the disclosure of information;
- keeping a record of all ASX and other releases that have been made;
- periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or Corporations Act and recommending any necessary changes to the procedures; and
- preparing regular disclosure reports to the Board of the Company which advise of:
 - material matters considered and the form of disclosure (if any); and
 - any material changes to the Company's continuous disclosure process.

3 Legal Principles

3.1 Introduction

The Corporations Act and the ASX Listing Rules require the Company, as a company listed on the ASX, to comply with continuous disclosure obligations.

3.2 ASX disclosure obligations

(a) ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of:

Any information of which the Company becomes aware, concerning the Company, that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.

(b) Material effect on the price of securities

A reasonable person is taken to expect information to have a *material effect* on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

A list of matters that may be considered material is set out in Annexure A. This list is merely indicative and should not be seen as an exhaustive list of the matters that should be considered for disclosure

(c) Information in the Company's knowledge

The Company becomes *aware of information* if any of its directors or executive officers has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or executive officer of the Company.

(d) Information that is generally available

The disclosure obligation does not generally apply where the information is generally available. However, the impact of information that is generally available on the Company may be such that it is likely to have a material effect on the price or value of the Company's securities. If the generally available information is likely to have a material impact on the Company, the disclosure obligation will apply and the impact or effect must be disclosed.

Information is usually considered to be generally available if:

- it consists of a readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

3.3 Exceptions to ASX disclosure obligations

Disclosure under ASX Listing Rule 3.1 is not required where *each* of the following conditions is and remains satisfied:

- a reasonable person would not expect the information to be disclosed; and
- the information is **confidential** and ASX has not formed the view that the information has ceased to be confidential; and
- one or more of the following conditions apply:
 - (1) it would be a breach of a law to disclose the information;
 - (2) the information concerns an incomplete proposal or negotiation;
 - (3) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;

- (4) the information is generated for the internal management purposes of the Company; or
- (5) the information is a trade secret.

As soon as one of these three elements is no longer satisfied (e.g. the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligations. The obligation to disclose the information arises even though two of the above three requirements remain satisfied.

3.4 Trading halts and suspension of quotation

The ASX requires companies to consider whether a trading halt or suspension of quotation of securities is appropriate where it is not possible to properly inform the market without disclosing highly sensitive or confidential information.

The ASX may impose a trading halt or a suspension in the interests of keeping the market informed.

3.5 False market

The ASX interprets ASX Listing Rule 3.1 as requiring the Company to make a clarifying statement or announcement to the ASX in circumstances where the Company becomes aware that speculation or comment is affecting the price or volume of trading in the Company's securities (this is one reason why maintaining the confidentiality of confidential information is so important for the Company). The Company is not required to respond to all media comment and speculation, however, when:

- media comment or speculation becomes reasonably specific; or
- the market moves in a way that appears to be referable to the comment or speculation,

the Company has a positive obligation to make such disclosure as is necessary in order to prevent a false market in the Company's securities and ensure investors are not trading on false or misleading information.

In addition to the positive disclosure obligation under ASX Listing Rule 3.1, where the ASX considers that there is, or is likely to be, a false market in an entity's securities, it may ask the entity to give it information to correct or prevent the false market. The entity must then comply with ASX's request by giving it the information needed to correct or prevent the false market.

ASX considers that there is or is likely to be a false market in the Company's securities where:

- the Company has information it has not disclosed to the market because it falls within the exception from ASX Listing Rule 3.1;
- there is reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market by the Company; and
- there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the securities.

3.6 Release of information to others

The process of release of information is as follows-

1. Information supplied to ASX.
2. ASX acknowledges receipt.
3. Automatic release of information to Directors and Staff.

The Company must not release material price sensitive information to any person (eg the media) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market.

That is, selective disclosure of information cannot be made to brokers, analysts, the media, industry or professional bodies or any other person until the information has been given to (and receipt acknowledged by) the ASX.

3.7 Liability and enforcement – penalties for breach

(a) The Company

If the Company contravenes its continuous disclosure obligations, it may face:

- if the contravention is intentional or reckless - criminal liability with a monetary fine;
- civil liability for any loss or damage suffered by any person as a result of the Company's failure to disclose relevant information to the ASX; and
- de-listing from the ASX.

The ASIC can also institute proceedings under the ASIC Act 1989.

There is no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the circumstances the person ought fairly to be excused for the contravention.

(b) Others

The Company's officers (including its directors), employees or advisers who are involved in the contravention by the Company, may also face criminal (monetary fine and/or 5 years imprisonment) and civil liability as outlined above.

(c) Enforcement

The court also has power under the Corporations Act to order compliance with the ASX Listing Rules on the application of the ASX, the ASIC or an aggrieved person (e.g. a Company shareholder).

(d) Unwanted publicity

Contravention of its continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its

reputation in the market place which may adversely impact upon the market value of its securities.

4 Who to contact

If you are in any doubt regarding the operation of this policy, you should contact the Company Secretary.

Annexure A – Information Disclosure Requirements

The Company must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by the Company. Set out below is an illustrative list of matters that may give rise to an obligation to make disclosure to the market. Any such matter (or similar) must be notified to the Company Secretary, who will determine, in conjunction with the Group Managing Director, members of the executive or the Chairman, as appropriate, whether disclosure is required.

You should use this list as a guide and should not take this as an exhaustive list of the issues that must be notified to the Company Secretary.

Relevant information / matter	
1	the financial condition, results of operations, company issued forecasts and earning performance of the Company or a controlled entity, which are significantly different from that anticipated by the Company or the market;
2	a proposed acquisition or disposition of material assets to be announced by the Company, a controlled entity or joint venture partner;
3	significant proposed foreign activities by the Company or a controlled entity;
4	events or occurrences that have an impact on the operations of the Company or a controlled entity;
5	natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
6	significant changes in technology or the application of technology which could affect business;
7	legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
8	a change in the Company's financial forecast or expectations;
9	the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any controlled entity;
10	an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director);
11	changes in the Company's senior management or auditors;
12	any negative publicity;
13	entry by the Company or a company controlled by the Company into a new line of business or the discontinuance of a particular line of business; and
14	planning to undertake a significant financing or security issue (whether debt or equity) or to take other action with respect to outstanding securities (eg share repurchase program, redemption of bonds) or any default on any securities.
15	New significant Contracts.

Note: These examples are not an exhaustive list. You should notify any matters which you think may be "price sensitive" or influence an investor's decision to buy or sell securities.