



6 March 2019

ASX Market Announcements

ST GRIEDE, FRANCE – COURT OF APPEAL DECISION

Gas2Grid Limited advises that the Appeal Court of Bordeaux has handed down its decision on 5 March 2019 in France (evening in Sydney) following the hearing held on 5 February 2019 with respect to the appeal lodged on 3 January 2017 by the French Government against the Pau Tribunal's 2 November 2016 decision relating to the renewal of the St Griede Permit.

While the Company has not yet received the formal written judgement which is dispatched, the website of the Appeal Court has published the conclusion of its decision as follows:

1. Annulment of the section of the judgment of 2 November 2016 handed down by the Pau Tribunal whereby the Ministers were directed to grant an extension of the St Griede permit for 5 years from the date of that judgement.
2. The Ministers are urged to reconsider the request for an extension of the St Griede permit for a second 5 year period and to make a new decision within 2 months of the judgment of the Appeal Court.
3. A penalty of Euros 1,000 per day of delay for non-compliance by the Ministers to the period fixed by the present judgement.
4. The Government to pay Euros 2,000 to Gas2Grid Limited for costs.

The Company awaits advice from its lawyers in France and continues to be guided by them of the actions available to achieve the best outcome for its shareholders following the decision of the Appeal Court.

Background

The St Griede permit (100% working interest) located within the Aquitaine Basin, France was due for its first renewal in May 2013 after an initial 5 year term. With the terms and conditions of the work and expenditure commitments having been met for the first 5 year term, a renewal application for a second 5 year term was submitted in January 2013 in order to continue the work program towards the drilling of a well. Normally, a first renewal is expected as a matter of course if the initial commitments have been met. In September 2015, the French Government illegally decided not to grant the renewal.

Following an action in the Pau Tribunal in November 2015, a judgement was handed down on 2 November 2016 fully supporting the Company as follows:

1. Annulment of the decision of the French Ministers made in September 2015 to refuse the renewal of St Griede permit;
2. Instruction to the Ministers to grant, within 30 days, a 5 year extension to the St Griede permit commencing from 3rd November 2016; and
3. A penalty, to the French Government, of Euros 3,000 for each day after 3rd December 2016 that the grant of the permit extension is delayed.

On 3rd January 2017, the French Government lodged an appeal against the decision of the Pau Tribunal and that appeal was heard on 5th February 2019 with the decision handed down on 5th March 2019.

On 23rd December 2017 the French Government had issued a decree extending the St. Griede licence up until the 31st May 2018. That extension is not in accordance with the November 2016 court directions and it provides the Company with only 5 months in which to complete a 5 year work program that was proposed on the application for renewal of the permit in 2013.

As the appeal decision should have no bearing on the payment of the penalty decided by the Pau Tribunal in November 2016, the Company had requested the Pau Tribunal to direct the French Government to pay the imposed €3,000/day penalty. The matter was heard on 3 July 2018 and a judgement was handed down on 5 July 2018 directing the French Government to pay Gas2Grid a total of Euros 383,500 plus Euros 1,200 for costs in settlement of the Company's claim allowing a reduction on the previously imposed total penalty payable. The penalty has since been paid to the Company.

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