



8<sup>th</sup> January, 2018

ASX Market Announcements

## **ST GRIEDE PERMIT – PUBLICATION OF DECISION OF FRENCH GOVERNMENT**

On the evening of Friday 5 January, 2018 Gas2Grid Limited became aware of a notice published in the Official Gazette of France on 23 December 2017 of a Decree issued by the French Government on 8 December 2017 regarding the renewal of the St Griede permit, although that decision has yet to be communicated to the Company.

The Decree provides an extension of the St Griede permit to 31 May 2018 over a reduced area of 652 km<sup>2</sup> and with a minimum work commitment of 1,176,860 Euros. According to the French Government it has granted the extension to satisfy the judgement of the Administrative Tribunal of Pau handed down on 2 November 2016, but the extension may be withdrawn should the decision of that tribunal be reversed by the Court of Appeal of Bordeaux. The decision of the Court of Appeal is pending with arguments by all parties to that Court submitted in June 2017.

The recent Decree by the French Government does not satisfy the 2 November, 2016 judgement of the Administrative Tribunal of Pau as described below. The Company will be guided by its legal advisors in France to achieve the best outcome for its shareholders.

### **Background**

On 2 November 2016 the Administrative Tribunal of Pau handed down a judgement 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 3 November 2016; and
3. A penalty, to the French Government, of Euros 3,000 for each day that the grant of the permit extension is delayed.

The parties had 2 months from the date of notification of the judgement to appeal.

In November 2015, the Company lodged a request in the Tribunal against the refusal in September 2015 of the French Ministers to renew the St Griede permit. A full hearing was held in front of three judges of the Administrative Tribunal of Pau on the 11<sup>th</sup> October, 2016 resulting in the judgement being handed down on 2 November 2016.

In a ruling on 29 December 2015 the Judge at the Administrative Tribunal of Pau had previously suspended the September 2015 decision of the Ministers not to renew the St Griede permit and had given the relevant

Ministers 2 months to reconsider the renewal application on the grounds that there has been an error at law in the Ministers' decision.

The Conseil D'Etat of France (a high court for legal affairs of the state) had in August 2016 refused to admit the appeal lodged in January 2016 by the Minister of Energy for the annulment of the ruling made on 29 December 2015 by the judge of the Tribunal.

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. That application was processed by French Government officials who recommended renewal and submitted it to the Minister of Energy for signature and issue in 2014. The relevant Ministers decided on 21 September 2015 not to grant the renewal on the basis of elected members and risks to public order considerations.

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