

- ASX Announcement -

Update - Legal Action re Ernst & Young

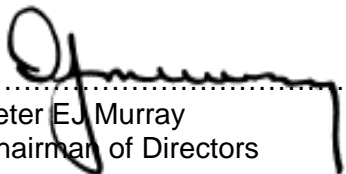
London City advises that further proceedings took place in the Supreme Court of NSW this morning regarding its case against Ernst & Young, former auditors of Penrice Soda Holdings Limited (In Liquidation). The matter was again heard before Justice E Fullerton and follows orders made at the last hearing on 28 September.

Since the Statement of Claim was lodged against Ernst & Young in May 2017 London City and its legal advisors have moved to amend the Statement of Claim to take account of (a) Court ordered Notice to Produce disclosures from Ernst & Young, (b) information produced by ASIC under Freedom of Information legislation and (c) other sources. Receipt of these documents has allowed our legal team to further particularise the Statement of Claim allegations.

While Ernst & Young agreed at the 28 September hearing to provide the outstanding information within five weeks, this was not met in the three month period since. Indeed, a Notice to Produce has been listed before the Court on at least eight occasions since 28 June 2018 and yet full production by Ernst & Young under the Notice to Produce remains a matter of serious dispute between the parties. London City and its advisers regard it very important that they seek these outstanding disclosures.

Today's hearing resulted in establishing a hearing date of Friday 29 March 2019 before Justice Fullerton in which the latest Statement of Claim will be considered for acceptance by the Supreme Court. Issues relating to the provision of further documentation by Ernst & Young will continue in the meantime.

For and on behalf of Directors



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Peter EJ Murray
Chairman of Directors

21 December 2018

