

15 December 2014

ASX ANNOUNCEMENT

Via Electronic Lodgement

Market Update on Research and Development Incentive Claim

Moreton Resources Limited (ASX:MRV) is pleased to advise that it is continuing to advance its 2014 Tax Return, which will include a component of potential Company refund, under the Australian Government's Research and Development Tax Incentive Scheme. As previously advised to the Market, this process also included a total review of the Company's entitlements and claims since 2008.

Any potential refund relates to the Company's discontinued Kingaroy underground coal gasification project, (which commenced development in 2006) and was run under the policy framework put in place by the Queensland Government in early 2009.

We understand that within the current ATO guidelines, the Company has the capacity to amend and correct any lodgements within the last 2 years, and as such is pleased to announce as at 12 December 2014, the 2012 amendment has been lodged. The Company is expecting a modest additional refund in regard to this 2012 amendment, based upon a total review that has seen additional claimable amounts being reviewed and submitted for AusIndustry and ATO consideration.

Assessment of the claim by the Australian Tax Office is expected to be finalised by the end of the March quarter of 2015, taking into account the impending Christmas period.

Any further amendments regarding prior years and the 2014 claim, will be lodged early within 2015.

It is also timely to update the market on the recently completed decommissioning and dismantling of the former UCG plant at Kingaroy, and is now seeking to move into the rehabilitation phase for the defined area on MDL385. The Company continues to seek opportunities to undertake a conventional development of the substantial coal deposit, which includes a JORC compliant resource of 221 million tonnes of high quality thermal coal in the Tarong basin, just 20 kms from Tarong power station.

In addition, the Company is advancing its Bowen Basin asset through the current drilling campaign, while simultaneously seeking to take advantage of historically low prices in the resources sector to acquire another mining project, potentially outside of coal, either in production or close to production.

Jason Elks, CEO, said the Company was ideally positioned, with modest cash resources available, enabling it to move quickly to seize market opportunities.

"The transformation and revitalisation of this company is gathering pace, and we are now in the enviable position of having the people, the strategy and the resources available to move nimbly, to attempt to drive shareholder value. We have put the past behind us and certainly believe a wealth of opportunity is ahead" he said.

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Jason Elks

Chief Executive Officer

Moreton Resources Limited