



NEWS RELEASE | 9 June 2021

Prairie Files £806 million (equivalent to A\$1.5 billion/PLN4.2 billion) Statement of Claim for Compensation Against Poland

As part of the ongoing international arbitration claims (**Claim**) against the Republic of Poland under both the Energy Charter Treaty (**ECT**) and the Australia-Poland Bilateral Investment Treaty (**BIT**) (together the **Treaties**), the Company has now **filed its Statement of Claim in the BIT arbitration claiming compensation in the amount of £806 million (equivalent to A\$1.5 billion or PLN 4.2 billion)** as assessed by external quantum experts engaged by Prairie.

HIGHLIGHTS

- The Claim for compensation against Poland has been filed with the Tribunal in the BIT arbitration in the amount of **£806 million (A\$1.5 billion/PLN 4.2 billion)**, which includes an assessment of the value of Prairie's lost profits and damages related to both the JKM and Debiensko mines, and accrued interest related to any damages.
- The Claim against the Republic of Poland under both the ECT and the BIT continue:
 - Prairie alleges that the Republic of Poland has breached its obligations under the Treaties through its actions to block the development of the Company's Jan Karski and Debiensko mines in Poland.
 - The Republic of Poland's actions have deprived Prairie of the entire value of its investments in Poland.
- The Company's Claim against the Republic of Poland is being prosecuted through an established and enforceable legal framework with both parties agreeing to apply the United Nations Commission on International Trade Law Rules (**UNCITRAL**) to the proceedings.
- The Company is well funded to pursue the Claim with the US\$12.3 million Litigation Funding Agreement (**LFA**) in place which is currently being drawn down to cover legal, tribunal and external expert costs and defined operating expenses associated with the Claim.

Prairie's CEO Mr Ben Stoikovich commented: ***"The Claim is proceeding at pace, with the Company now having submitted its Statement of Claim in the BIT arbitration, which included a valuation of damages prepared by external quantum experts. The compensation being claimed by the Company is £806 million. The Prairie management team continues to work with legal counsel and a range of external experts in prosecuting the Claim."***

For further information, please contact:

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BACKGROUND TO THE CLAIM

The Company's Claim against the Republic of Poland is being prosecuted through an established and enforceable legal framework, with Prairie and Poland agreeing to apply the UNCITRAL rules to the proceedings.

Both the BIT and ECT claim Tribunals have been constituted, with both Claim's being registered with the Permanent Court of Arbitration in the Hague. The BIT and ECT claim proceedings proceed at pace, with the Company now having filed a Claim for damages against Poland with the Tribunal in the amount of £806 million (A\$1.5 billion/PLN 4.2 billion), which includes an assessment of the value of Prairie's lost profits and damages related to both the JKM and Debiensko mines, and accrued interest related to any damages. The Claim for damages has been assessed by external quantum experts appointed by Prairie specifically for the purposes of the Claim.

In July 2020, the Company announced it had executed the LFA for US\$12.3 million with Litigation Capital Management (**LCM**). The facility is currently being drawn down to cover legal, tribunal and external expert costs and defined operating expenses associated with the Claim.

In September 2020, Prairie announced that it had formally commenced with the Claim by serving the Notices of Arbitration against the Republic of Poland.

Prairie's dispute alleges that the Republic of Poland has breached its obligations under the applicable Treaties through its actions to block the development of the Company's Jan Karski and Debiensko mines in Poland which effectively deprives Prairie of the entire value of its investments in Poland.

In February 2019, Prairie formally notified the Polish Government that there exists an investment dispute between Prairie and the Polish Government. Prairie's notification called for prompt negotiations with the Government to amicably resolve the dispute and indicated Prairie's right to submit the dispute to international arbitration in the event of the dispute not being resolved amicably. As of the date of this report, no amicable resolution of the dispute has occurred, since the Polish Government has declined to participate in discussions related to the dispute and accordingly the Company has formerly proceeded with its Claim as discussed above.

Prairie's investment dispute with the Republic of Poland is not unique, with international media widely reporting that the political environment and investment climate in Poland has deteriorated since the change in Government in 2015. As a result, there are a significant number of International Arbitration claims being brought against Poland in the natural resources and energy sectors with damages claims ranging from US\$120 million to over US\$1.3 billion and includes Bluegas NRG Holding (Gas), Lumina Copper (Copper) and InvEnergy (wind farms).

This announcement has been authorised for release by Director, Mr Ben Stoikovich.