

25 August 2015

## **ASX ANNOUNCEMENT**

By Electronic Lodgement

### **UPDATE ON RESEARCH AND DEVELOPMENT REFUND**

The Board of Moreton Resources Limited (MRV) would like to keep the market up to date, on its efforts to secure the 2012, 2013 and 2014 additional research and development refund amounts, as per previous announcements earlier this year.

Yesterday, AusIndustry notified Moreton Resources Limited, that after review of the activities undertaken in those years, that AusIndustry are of the opinion that the activities registered are not fitting with the %Core Activities+ definitions for the scheme. Among other things, the response from AusIndustry relied upon an exclusion provision in Sec 355-25(2) of the ITAA 1997, by saying the company has failed to demonstrate that the activities are not excluded from being core by the provision of section 355-25(2)(f) and specifically :

*"The Activities involved complying with statutory requirement to develop and maintain environmental standards under the operating licence granted by the Queensland Government."*

The Company whilst surprised by this finding, given that the trial endorsed by the Queensland Government in 2009 was upon the basis of determining the statutory guidelines and process to be put in place for such a fledgling industry, to which to date have still not been developed, and in the absence of any such UCG Legislation or Statutory Regulation, the finding seems at odds with the intent of the trial and also the actual provisions relied upon in the response to Moreton Resources.

Further to this, the decision seems to rely upon UCG as being a proven technology globally and that despite the view of State Governments throughout Australia and the issues globally with the unproven technology, AusIndustry has formed the view that this is proven and commercially available technology.

The Board would like to advise the market that the finding is reviewable and Moreton Resources presently intends exercising its rights to seek reconsideration of the decision within 28 days of receiving the notice. Moreton has taken specialist advice, disagrees with the decision, and is working with one of the four largest global firms on the matter to assist in the lodgement of that review and any subsequent process matters in an effort to secure a positive outcome.

We will keep the market informed of the next significant determination throughout this process. This is however expected to be a lengthy process.

Regards

**Jason Elks**

Chief Executive Officer

Moreton Resources Limited

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