



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

## ASX Announcement

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## Summa Resources Dispute Update

**Carbon Energy** (ASX:CNX, OTCQX: CNXAY) has previously announced to the market information regarding a dispute with Summa Resource Holdings LLC (**Summa**) in respect of a Share Sale Agreement entered between Carbon Energy and Summa (**Agreement**) (refer to ASX Announcement on 23 February 2011, 25 March 2013, 30 May 2013, 5 July 2013 and 2 September 2013).

On 22 May 2015 Carbon Energy advised that it had received correspondence from a USA based law firm acting for Summa. The correspondence contained various allegations of wrongdoing by Carbon Energy and associated persons which were insufficiently particularised and extremely broad-ranging in nature. The announcement and correspondence foreshadowed legal proceedings being commenced the United States District Court for the Northern District of California and the United States Federal Court.

Carbon Energy has become aware that proceedings have now been filed by Summa against Carbon Energy in the United States District Court for the Northern District of California that allege:

- Fraudulent inducement to enter into contract;
- Breach of fiduciary duty and constructive fraud;
- Common law fraud and deceit;
- Intentional interference with prospective economic advantage;
- Conversion;
- Alternative claim for negligent misrepresentation and concealment;
- Unfair competition; and
- Breach of written contract and breach of implied covenant of good faith and fair dealing.

The quantum of damages sought is no less than \$70,000,000 plus interest, costs and exemplary damages in an unquantified amount. Further, Summa is also seeking the imposition of a trust or equitable lien over assets of or under the control of Carbon Energy.

Carbon Energy is yet to be served with the proceedings.

Carbon Energy is working with its US lawyers on the company's response and will vigorously defend the claims made in respect of these allegations if and when it is served with the proceedings.

**ENDS**

For and on behalf of the Board