



16 June 2016

## **ASX ANNOUNCEMENT**

By Electronic Lodgement

### **Research and Development Claims Update**

The Board of Moreton Resources Limited (MRV) would like to advise that it continues to advance its appeal rights through the Administrative Appeals Tribunal (**AAT**), in regard to the 2012, 2013 and 2014 claims against the former Kingaroy UCG Trial Pilot Plant project.

As such a mediation date has been set for early August 2016 and should the matter not mediate at this point, a full hearing at the Administrative Appeals Tribunal will be undertaken in early 2017. As the market is aware these matters pertain to the Trial of UCG under the UCG Trial Policy, which was undertaken by the Queensland Government in 2009 by Moreton Resources Limited (formally known as Cougar Energy) and two other participants. However, recently the Queensland Government has moved to ban UCG in the State and therefore this entire program has been ceased by all participants.

This AAT process is the basis for a significant outstanding claim, and the defence of already paid claims put forward by Moreton Resources based upon the former UCG activities. It is important to note that these claims and submissions have been made with the support and guidance of several top tier Accounting Firms, who specialise in R&D activities and support the view that these are valid and reasonable claims.

It is on this basis that Moreton Resources Limited has instigated this AAT action, and believes that the claims to date and the existing outstanding claims are within the scope of Research and Development as defined by the relevant legislation, for what was to be a fledgling UCG Industry in Australia. The Company on this basis will continue to advance its position on these claims in consultation with AusIndustry and the ATO who have formed the view that the said years, being 2012, 2013 and 2014 are not deemed to be Research and Development.

Recently the Company received notification from the ATO that it intends to issue amendments for those years subject to the AAT action and, if so, it will trigger repayment obligations. However the Company is currently working with its advisors to request that the ATO allow the natural process through the AAT to take its course prior to any amendment liabilities being notified. If this proposal fails and such amendments are processed and issued upon the Company, the Company will immediately update the market upon those liabilities.

The Company will bring the market up to date, with any significant advancements as and when they become apparent to Moreton Resources Limited.

**Jason Elks**

Chief Executive Officer

Moreton Resources Limited

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