

## **Lochard Energy Group Plc**

("Lochard" or "the Company")

### **Result of Litigation**

On 8 April 2010, Lochard Energy Group Plc ("**Lochard**" or the "**Company**") (AIM: LHD, ASX: LHD) announced that Senergy UK Limited ("Senergy") had brought proceedings in the High Court in London against Zeus Petroleum Limited ("Zeus"), a wholly owned subsidiary of the Company and holder of the interest in the Athena oilfield, being the Company's major asset.

The proceedings in this case have now been heard and judgment for liability has been handed down in Senergy's favour. The court has still not ruled on the amount of costs or damages that will be payable and a further hearing will be required in early 2012 to determine the amount of costs. There is likely to be a period where further evidence will be submitted prior to a final hearing on the amount of damages the date for which will be set by the court. The Company estimates that subject to any successful appeal by Zeus the damages payable by Zeus could range between \$3.5m and \$12.2 m plus costs and interest.

The damages payable will be paid from the cashflow resulting from the Athena production, due to come on stream in Q1 2012, and depending on timing, from the earn out payment due from the sale of the Company's fluids business. The Company has previously announced that the maximum residual earn out figure is A\$19.25 million.

Lochard is considering its options in respect of this decision (including whether Zeus will appeal the judgment). The Company will make further announcements in due course.

**– Ends –**

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