



ASX RELEASE
6 August 2013
Saipan Appeals

KUTh Energy Limited (ASX: KEN) (KUTh or the company) wishes to advise that it has received notification from the Saipan Office of the Public Auditor (OPA) addressing two appeals made by the company.

- **Appeal No 1**

The Saipan Commonwealth Utilities Commission (CUC) issued a Request for Proposal (RFP-048) in 2011 to which KUTh responded. THE RFP was for the drilling of a gradient well and also contained certain development rights and grant assistance. The company was subsequently advised that it was successful with its submitted tender and was issued with a Letter of Intent to Award Contract in January 2012 (refer KUTh ASX announcement dated 30 January ,2012).

Following several months of contract preparation with the CUC notice was received in September 2012 that RFP-048 was cancelled on the basis that the *“specifications which have been revised”* (refer KUTh ASX announcement 24 September,2012).

The company immediately lodged an appeal alleging that the CUC did not conduct its negotiations in good faith as per CUC procurement guidelines.

The OPA has denied the appeal.

- **Appeal No 2**

This appeal relates to a second RFP (RFP -024) which was issued by the CUC in October 2012 and contained revised specifications, scaling back the geothermal project to a consulting role and removing the development rights.

This RFP was not properly notified to KUTh and the company lodged an appeal against the process.

The OPA found KUTh had grounds to protest and has granted KUTh’s appeal. It has referred the matter to the CUC Procurement and Supply division to determine the merits of the protest not inconsistent with the appeal decision.

The company is currently considering its options following this notification and will update the market should there be any further material developments.

End

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