



COMPLAINT FORM

FILE NUMBER:

1. DETAILS OF PERSON MAKING THE COMPLAINT

Title	First Name	Surname	DOB
MS	Nicole	CHESTERMAN	23/07/73
Address	Suburb	Post Code	
5 CAROLINE STREET	DYNNYRNE	7005	
Telephone (business hours)	Mobile	Email Address	
03 6231 3529	0409 545 574	nade.chesterman@gslm.com.au	

Do you have a disability or other special needs?

Yes ☒ No

If yes, please specify:

What is your preferred language?

ENGLISH

Do you require an interpreter?

Yes ☒ No

Are you completing this form on behalf of another person?

Please note that a complaint should normally be made personally. There are only two situations in which a complaint may be made by a representative – (1) where the person has died or is not able to act for themselves, and (2) where the complaint is made by a Member of Parliament, with the consent of the person concerned.

Yes ☒ No

If **No**, please continue to Section 2.

If **Yes**, please identify that person below:

Title	First Name	Surname	DOB
Address	Suburb	Post Code	
Telephone	Mobile	Email Address	

Please describe your relationship with this person:

2. DETAILS OF AGENCY OR ORGANISATION

Name of the agency or organisation you are complaining about:

MINERAL RESOURCES TASMANIA

Address

Suburb

Post Code

30 GORDON'S HILL RD ROSNY PARK 7018

Telephone (business hours)

Division

(03) 62 33 8377

Have you contacted the agency or service provider yourself to try and resolve the complaint?

☒ Yes ☐ No

If yes, what happened? If no, why?

PLEASE REFER TO ATTACHED DOCUMENTATION
AS LODGED WITH THE INTEGRITY COMMISSION
3/6/11.

3. TIME LIMIT

Date when what you are complaining about took place:

SEE DOCUMENTATION
FOR DETAILS (< 18 MONTHS)

Usually the Ombudsman will not investigate a complaint if the action complained of took place more than two years ago unless there is a reasonable excuse for the delay. If what you are complaining about happened more than two years ago, please explain why you have not complained about it to the Ombudsman until now.

4. COMPLAINT DETAILS

Please outline your issues of complaint.

- Be as specific as possible. Provide relevant dates and the names of people you have contacted.
- If there is not enough space to describe your complaint, attach extra paper.
- Please attach any documents such as letters, accounts or reports that are relevant to your complaint.

PLEASE REFER TO ATTACHED DOCUMENTS

5. OUTCOMES

What do you wish to achieve by making a complaint?

Explanation

Access service

Apology (written/verbal)

X

Adequate service

Change in policy or procedure

X

Disciplinary action

X

Conciliation

Other (please specify)

- REMOVAL OF MICHAEL LEONARD & DR TONY BROWN
AS SENIOR EXECUTIVES AND/OR DIRECTOR OF MINES
MINERAL RESOURCES TASMANIA.

6. HAVE YOU MADE THIS COMPLAINT TO ANY OTHER REVIEW BODY?

The Ombudsman may decline to investigate your complaint if he is satisfied that you have or had a right to have the action about which you complain reviewed by a court or tribunal but haven't exercised that right. Alternatively, if you could apply to have the matter reviewed administratively, the Ombudsman may decline to investigate if you have not done so.

If you can or could have referred the action about which you complain to a court, tribunal or other review body but haven't, you will need to advise why you haven't.

☒ Yes ☐ No (Please provide details:)

WE HAVE SENT OUR SUBMISSION TO THE INTEGRITY COMMISSION; HOWEVER, REVIEWABLE MATTERS MAY REQUIRE FURTHER INVESTIGATION BY OMBUDSMAN

7. PRIVACY STATEMENT

If you make a complaint under the *Ombudsman Act 1978*, the Ombudsman will collect your personal information. Personal information will be used in the management of the complaint, and may be disclosed to the public authority complained about to enable preliminary enquiries and/or an investigation to be undertaken. Personal information will be managed in accordance with the *Personal Information Protection Act 2004* and, on request to the Ombudsman, may be accessed by the individual to whom it relates.

A copy of this complaint form and relevant accompanying documentation is usually sent to the public authority for their response. If there are reasons why this should not be done, please set them out below:

N/A

8. SIGNATURE

Signature of person making complaint:



Date: 17/6/11

9. HOW DID YOU HEAR ABOUT THE OMBUDSMAN'S OFFICE?

Television

Radio

Brochure

Word of Mouth

Newspaper (please specify)

☒ Other (please specify) INTERNET / RESEARCH.

For assistance in completing this form, please phone this office on 1800 001 170.

Send your complaint form to: Office of the Ombudsman and Health Complaints Commissioner, GPO Box 960, HOBART, Tasmania 7001

Email your complaint form to ombudsman@ombudsman.tas.gov.au, or fax it to 6233 8966

The Office of the Ombudsman and Health Complaints Commissioner is located on the Ground Floor at 99 Bathurst Street, Hobart.
The Launceston Office is located in 111 Cameron St, Launceston.

INFORMATION ABOUT COMPLAINT HANDLING

- Wherever possible, before lodging a complaint you are encouraged to resolve your concerns directly with the agency you are complaining about. If you do not try to discuss the matter with the agency first, the Ombudsman may refuse to accept your complaint.
- Your complaint to the Ombudsman needs to be in writing and signed.
- You should give details about your complaint, and you may be asked to provide further information to support it.
- The Ombudsman will then decide whether to accept or decline your complaint. You will be told of the decision soon after the complaint is received.
- If your complaint is accepted, the complaint and any other information you have provided will in most cases be sent to the agency you are complaining about and it will be asked to respond. We ask the agency to do so within two weeks but in some cases it might take longer.
- Some of the material in the response may be confidential and in that situation we will give you a summary. Generally we would hope to provide you with a complete copy.
- We will seek your view on the response and the Ombudsman will then decide on the future course of your complaint.

**INDUSTRY OMBUDSMAN
COMPLAINT**

**CONDUCT OF AGENCY PERSONNEL
MINERAL RESOURCES TASMANIA**

2011



**Hobart, Australia
17 June 2011**

BACKGROUND GREAT SOUTH LAND MINERALS LIMITED (GSLM)

Empire Energy Corporation International (Empire), through its wholly owned subsidiary Great South Land Minerals Limited (GSLM), have completed significant exploration work within the Tasmania Basin over the past 10 years. This work has included the discovery of more than fifteen previously unknown, very significant, potential petroleum bearing structures within former Special Exploration Licence (SEL) 13/98 and has proved the existence of three petroleum systems within the Tasmania Basin.

Empire and GSLM have expended in excess of AU\$50 million of capital investment searching for oil and gas in Tasmania, meeting all the licence conditions set by Mineral Resources Tasmania (MRT) for SEL13/98. GSLM has obtained a valuation of the resource identified by the exploration and evaluation work performed over the past ten years.

RPS Energy Ltd (RPS), one of the world's leading independent experts on oil and gas resource/reserve evaluations, prepared a Competent Persons Report indicating that the undiscovered prospective oil and gas resource contained within the structures (identified by GSLM's geophysical and seismic work) totalled 668 million barrels of oil potential. After extensive due diligence, WHK Denison (WHK), a major Australian accounting firm, gave Empire an undiscovered prospective resource mean valuation of US\$3.3 billion based on a recent market acquisition (transaction) which applied a discounted rate of US\$5 per barrel (on or before September 2009). This confirms GSLM's findings and belief developed over these past ten years through the company's diligent work and significant AU\$50 million investment meeting SEL13/98 licence conditions. This represents an asset backing today of approximately US\$10 per share.

GSLM and Empire intend to prove the validity of the RPS Energy report and WHK valuations and the existence of commercial quantities of onshore oil and gas in Tasmania. RPS Energy's undiscovered prospective resource mean of 668 million barrels has been calculated by using "probabilistic" methods. If verified and produced at today's price of US\$109 per barrel, these calculations represent potential revenue of US\$72 billion contained within the structures discovered by GSLM's 1,160 km of seismic operations and work based on gravity, magnetic and stratigraphic wells (SEL13/98 Final End of Term Annual Report, Refer Appendice 1).

GSLM and its predecessor companies were established as a result of a vision that founder and current CEO, Malcolm Bendall, received from God in 1977. In this vision, Mr Bendall saw large structures onshore Tasmania. More than 34 years of exploration research and an investment of over AU\$58 million has found that oil and gas does exist in the Tasmania Basin.

On 30 September 2009, GSLM submitted an Exploration Licence Application (ELA) for a 7,513 km² area for 5 years covering the twelve (12) independently proven prospective structures, and included more than a 50% reduction in size compared with previously held SEL13/98 area of 15,035 km². However, on the 17 May 2010, The Minister for Energy and Resources granted Exploration Licence (EL) 14/2009 over only 3,108 km² for an initial two-year term in contrast to the five-year term and larger area of the submitted application. The area granted covered only two of GSLM's twelve prospective structures. On the 30 July

2010, an application for 'Variation of Area' was submitted to the Minister for Energy and Resources. On 24 December 2010, GSLM received a decision from the Minister not to vary EL14/2009 to cover the remaining 10 prospective structures worth approximately US\$1 billion. This document sets out to provide a summary of communications and actions of questionable conduct of key Mineral Resources Tasmania personnel leading up to the decision to issue Exploration Licence EL14/2009 over an 18 month period.

As at 01st June 2011, GSLM has received notification from the Director of Mines that GSLM's recent (new) application over the US\$1.1 billion of assets, applied as part of the Exploration Release Area (ERA) 791 process in March 2011, was unsuccessful. GSLM have been notified that Terra Tasmania Resources Pty Ltd has been given priority for the application and has been issued EL30/2011 as application reference (Appendix 14). GSLM note that, the successful applicants are represented by two (2) persons who have acted in an advocacy and services role on behalf of GSLM and Empire and are conflicted. GSLM question the intent of the DOM in not allowing GSLM to obtain the first right of application based on merit, as GSLM deems it has demonstrated capability and professional merit to undertake the program submitted and want to ensure that GSLM's application has not been prejudiced considering the issues which are explained within this document.

BACKGROUND OF COMPLAINT

In 1998, Great South Land Minerals Limited (GSLM), an exploration Company searching for oil and gas within the onshore Tasmania Basin, applied to Mineral Resources Tasmania (MRT) for a 5 year Special Exploration Licence to search for coal seam methane gas and petroleum products and to carry out exploration works across an extensive area of the State comprising 30,356km² (Appendix 1).

After the first 5 year term, GSLM applied for an extension of term for the then held Special Exploration Licence (SEL) 13/98; and at the behest of MRT, reduced the area under tenure to 15,035km² retaining the most prospective areas of Central and Southern Tasmania. (Appendix 1). The extension was for a further period of 5 years, a renewal term under the Mineral Resources Development Act 1995, and was granted on 17 May 2004.

In 1998, the then Deputy Premier and Minister for Resources and Energy, the Hon. Mr Paul Lennon, gave written advice to GSLM of his intention to grant SEL13/98 with terms and conditions for GSLM to comply during the first 5-year term, including a statement containing implied and express instructions to the company, and as a directive held in contract on behalf of the Government.

One of the conditions imposed was to publicly float the company on a registered exchange (Appendix 2), which was complied by GSLM in June 2005 when a reverse takeover with Over The Counter Bulletin Board (OTCBB) listed company Empire Energy Corporation (now, EEGC:PK) was completed and filed with the Australian Securities and Investments

Commission. Another condition was that the company retain and apply for the most prospective areas likely to contain commercial quantities of oil and gas and which would lead to successful economic extraction of the same. At the end of the second 5-year term of SEL13/98, an industry expert report was prepared on behalf of GSLM to summarise the exploration results, whereby, 12 independently verified oil and gas structures were identified and scientifically proven with potential to house oil and/or gas. During the 10-year term of SEL13/98, GSLM invested over AU\$50 million in pursuance of and proving, that these potential oil and gas structures exist in Tasmania. (Appendix 3: Attachment 6).

At the end of the second 5-year term, and following the independent expert's findings, GSLM had a right to apply for an Exploration Licence to continue commercial exploitation of these results and applied for the same with MRT on 29 September 2009 (Appendix 4). The application to continue exploration comprised a five-year term over an area of 7,513 km² (less than half the size of the former SEL13/98), covering the 12 identified structures. This was and is considered standard industry practice across Australian States and Territories.

GSLM experienced lengthy delays with MRT's assessment process and handling of Exploration Licence Application (ELA) 14/2009, preventing GSLM and its parent company Empire Energy from continuing its normal operations and exploration program. The delays in handling EL14/2009 from the time of submission on 29 September 2009 and subsequent granting on 17 May 2010 saw a significant decrease in investor confidence in Empire and raised questions from shareholders as to why the Government had engaged such delays (without real explanation); and the methodology for finally issuing EL14/2009 on such reduced terms without justification. Empire had planned to release a Rights Issue to Existing Shareholders in July 2009, to allow existing shareholders to subscribe at US\$0.07 cents per share, two months prior to expiry of SEL13/98 on 30th September 2009 to support continuing exploration and renewed tenure. As MRT did not deal with the EL14/2009 application efficiently, effectively and by observing procedural fairness, Empire Energy stock plummeted from US\$0.07 to US\$0.04 by the end of 30th September 2009 and then to US\$0.02 as a historical low during the time ELA14/2009 was being dealt with by MRT. As GSLM were nearing the end of term of SEL13/98 and had winterised the Hunt Energy Australia Pty Ltd #3 Petroleum Rig at a storehouse in Launceston temporarily, GSLM sought to remobilise the certified petroleum rig back to Bellevue as soon as practical during August - September 2009 to resume drilling operations, to which there was no certainty provided by the DOM or MRT as to continuing tenure. Empire was unable to complete the Rights Issue to existing shareholders, as going concern issues surrounded the company as there was no certainty provided by the DOM in relation to his views of continuing tenure, although Empire and GSLM held several meetings with members of MRT and other senior Government staff, no one indicated that continuing exploration tenure was certain, even when Empire and GSLM indicated they were both committed to continuing exploration work and financing the same

At the time, GSLM sought to confirm with MRT validation and currency of the drilling permits on the basis of continuing operations at Bellevue, to which MRT confirmed the permits would be automatically cancelled at the end of term of SEL 13/98 on 30th September 2009. MRT were not prepared to renew the drilling permits, even though GSLM had paid significant financial resources to mobilise a drill rig to Tasmania, which was on standby and ready to drill and remobilise to the Bellevue #1 well site on behalf of GSLM. In fact, the Hunt #3 drill rig mobilised for a competitor on another neighbouring tenure (not associated with GSLM), shortly thereafter in November 2009, prior to the rig leaving Tasmania in January 2010 as GSLM still did not have an exploration licence or permission (or a valid permit) from MRT to continue drilling operations at Bellevue nor any other site relating to SEL 13/98 or under application ELA 14/2009. GSLM believe that the DOM and MRT were aware of this and did not assist the company under the circumstances. There was no explanation as to the delays experienced in handling the renewal of tenure by MRT, and GSLM and Empire purport that the Director of Mines was in full knowledge of the potential commercial impact of the delays, including the demoralisation of investor confidence and the deflation of Empire's share price, and impact on the Rights Offering to existing shareholders, which was not issued to market in a timely manner due to going concern issues associated with GSLM not holding tenure in the form of a granted Licence. The Securities and Exchange Commission in the USA were not satisfied in the absence of GSLM not having confirmed granted tenure. In fact, the response to the Rights Issue of Empire was impacted adversely as a direct result of the failure to deal with EL 14/2009 in a timely manner by the DOM and MRT, as the Company share price was below the subscription price. GSLM and Empire question whether the Director of Mines and his Department acted in good faith in dealing with ELA14/2009 and the companies during this period.

In assessing ELA14/2009, the Director Of Mines (DOM) initially offered GSLM two very small areas of tenure (Area A - 530 km² [20% of which area was water] and Area B – 252km² in total, equating to only 2.5% of the original licence area granted in 1999) that was to represent application EL14/2009, and comprised only a small portion of the areas representing the two biggest structures, Bellevue and Thunderbolt (Appendix 3: Attachment 15).

The two smaller areas were questioned by GSLM, as to whether in fact, the DOM had considered the RPS Report's findings and its validity in support of ELA 14/2009 and after exchanging correspondence detailing GSLM's appeal and request for rights to a larger area, MRT compromised by offering an area comprising the two largest structures, Bellevue and Thunderbolt, but excluded the 10 defined oil and gas potential bearing structures GSLM discovered to the east of Bellevue & Thunderbolt. The DOM proceeded to make recommendation to grant EL 14/2009 for an area of 3,108km² for a period of 2 years. The current EL 14/2009 of 3,108 km² is a lesser area to which GSLM believes it is entitled as it excludes the remaining 10 structures discovered by GSLM through seismic and geological research. (Appendix 3: Attachment 1).

For commercial reasons, GSLM did not delay in accepting this proposed area as it took over 8 months to be granted, during which time, neither Empire or GSLM had continuing tenure

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

interests to search for oil and gas in Tasmania, which is Empire's primary business interest. Further, Empire and GSLM have confirmed significant losses in market capitalisation and investor confidence as a result of the procrastination and delays.

However, an immediate effort was launched by the company to:

1. Protect the 10 structures in the unreturned area from being granted to any other exploration companies; and
2. Have the area containing the 10 remaining structures returned to GSLM for continuation of programmed works.

It is important to note that application EL 14/2009 over 7,513 km² area covering the 12 structures was independently assessed and valued at US\$3.3 billion by a respected Australian accounting firm (

Appendix 3: Attachment 7).

Through the issuance of EL 14/2009 on the terms and conditions as recommended by the DOM and as granted by the Minister on 17th May 2009, MRT has deprived GSLM of the first right to access and exploit these potential petroleum bearing structures worth approximately US\$1.1 billion without rationale or reason. These petroleum structures have been discovered with significant investment from Tasmanian, Australian and International shareholders. This investment has contributed to a company valuation which in turn has been referenced to raise and receive additional finance to support an ongoing extensive exploration program designed to drill and develop these resources. Empires shareholders are now seeking answers as to why the Government has prejudiced GSLM's interests.

It has been deemed that the entire former area of SEL 13/98 (15,035 km²) is prospective for oil and gas based on the findings of the structures that have been proven over the past 10 years.

GSLM has experienced historical issues dealing with MRT staff, in particular the DOM (Mr Michael Leonard and previously, Dr Tony Brown) who, during the course of the deliberation over the assessment phase for EL 14/2009 engaged in legal matters of a personal nature with GSLM's CEO, Mr Malcolm Bendall. That incident is explained further in this document. It is possible that this action may have compromised proper professional discretion being exercised by the DOM and has prejudiced the commercial dealings between GSLM and MRT.

GSLM seeks an inquiry into the behaviour of the DOM and key staff at MRT to ascertain if procedural and discretionary fairness has been maintained at all times in dealings with the Companies. Empire and GSLM have both documented issues arising from the last 18

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

months interactions with MRT from which Empire and GSLM have experienced unjustifiable commercial delays and damages; evidence of what appears as an apparent legal issue of the failure to deal with application EL 14/2009 and issues of questionable conduct. Both GSLM and parent company Empire will find a continuing working relationship with MRT difficult to maintain and possibly untenable, if Mr Michael Leonard and other key personnel within MRT continue service in their current positions. GSLM and Empire have also observed first hand, that there are professional deficiencies within the resources at MRT as there has been a disregard for the impact of Agency decisions that affect commercial operations, a lack of specific petroleum industry expertise and indifferent views associated with the comprehension of the geology associated with frontier basins such as the onshore Tasmania Basin.

GSLM request the Industry Ombudsman and the Integrity Commission take an impartial view of the circumstances at hand to make a determination as to whether the DOM, Mr Michael Leonard, in particular, and other key staff at MRT, should be set aside or redeployed within other areas of Government.

To the best of the company's knowledge, the information presented herein represents the views of GSLM at the time of publication. In preparing this submission, GSLM has relied upon letters, data, surveys, analysis, designs, plans and other information provided by past reports, letters, opinions from third parties, and other individuals and organisations referenced herein. Except as otherwise stated, GSLM has not verified the accuracy or completeness of such data, letters, surveys, analysis, designs, plans and other information.

No responsibility is accepted for use of any part of this report in any other context or for any other purpose by third parties.

TABLE OF CONTENTS

BACKGROUND GREAT SOUTH LAND MINERALS LIMITED (GSLM)	ii
BACKGROUND OF COMPLAINT	iii
TABLE OF CONTENTS	viii
COMPLAINT FORM ANNEXURE 1	9
Summary of Complaint & What Happened	9
Complaint No 1, Checklist Item 1	9
Complaint No 2, Checklist Item 1	12
Complaint No 3, Checklist Item 1	14
Complaint No 4, Checklist Item 1	18
Complaint No 5, Checklist Item 1	20
Complaint No 6, Checklist Item 1	24
Complaint No.7, Checklist Item 1	27
Complaint No 8, Checklist Item 1	29
Complaint No 9, Checklist Item 1	31
Complaint No 10, Checklist Item 1	33
Concluding Statement	35
Delays in handling matters of administration, GSLM and Empire and Claims associated with EL14/2009	35
Desired outcome to all complaints	36
APPENDICES	37
ANCILLARY INFORMATION	39

COMPLAINT FORM ANNEXURE 1

SUMMARY OF COMPLAINT & WHAT HAPPENED

Complaint No 1, Checklist Item 1

The Director of Mines (DOM) and Mineral Resources Tasmania (MRT) act of wrongful and fairness assessment of Great South Land Minerals Limited financial capacity to search for Category 4 minerals (Petroleum products) over a restricted area.

GSLM was advised by Bob Rutherford, Deputy Secretary Department of Infrastructure Energy and Resources on 17 July 2009 to provide supporting independent analysis of financial capacity regarding its EL 14/2009 application as lodged with MRT on 29 September 2009 (Appendix 4). Application (EL 14/2009) was submitted whilst GSLM still held SEL 13/98, covering 15,035 km² over parts of Central and Southern Tasmania, to explore for oil and gas in Tasmania.

During the course of the SEL 13/98 and nearing the completion of the 10 year term, the exploration activities of GSLM were comprehensively summarised and assigned a valuation of US\$3.3 billion which was derived from a petroleum Independent Experts Report findings (Appendix 3: Attachment 6) and represented estimates provided to MRT by an (independent) respected accounting firm (Appendix 3: Attachment 7). From referencing the criteria of the MRT Exploration Licence Application Form when preparing submission of Exploration Licence Application (EL 14/2009), GSLM included evidence of proven and identified assets in excess of AU\$50 million. As this requirement was met and EL 14/2009 submitted prior to the expiry of SEL 13/98, GSLM believes it was exempt from specific financial capacity testing. This criteria does not appear to have been taken into consideration by MRT, nor properly evaluated to measure the relevance of the information provided by an independent valuation and an independent accounting firm's opinion, both of which were submitted to support the application lodged by GSLM. As a result of this, the DOM advised GSLM that '*he has to convince himself that the company has sufficient funds to carry out the exploration work plan*'. however, GSLM and Empire (parent company) noted that the valuation and independent accountant's opinion did not seem to be taken into consideration by the DOM. GSLM view that the issues relating to '*financial capacity*' were adequately met and all relevant details were contained in information which was lodged prior to and within two months of the submission of application EL 14/2009. Further, GSLM also provided this information to MRT on 21 October 2009 as a summary contained within the Final Report for SEL 13/98.

GSLM holds the view that the DOM may have failed to take relevant consideration into account in assessing application EL 14/2009, and that the discretion exercised and process of review applied were unfair and did not follow procedure under the circumstances. GSLM was instructed to lodge EL 14/2009 prior to expiry of SEL 13/98 in order to make claim and maintain consecutive exploration rights of commercial interest over the most prospective

areas, with the aim of commercially bridging ongoing exploration interests and supporting consecutive exploration activities as part of ELA 14/2009.

The EL 14/2009 application was prepared to represent the findings and results arising from stratigraphic well analysis, 2D seismic surveys and ground geo-scientific surveys performed under SEL 13/98 and its predecessor tenements.

Despite all GSLM's efforts to minimise any delays and commercial consequences arising from those delays, it took approximately 8 months for MRT to consider and recommend to the Minister to issue EL 14/2009 on significantly reduced terms (area and time) than was actually applied for. It appears the delays in issuing this tenement were linked to the DOM's discretionary review of financial capacity and MRT's inability to agree on the most prospective areas and GSLM's entitlement in equity and procedural fairness based on precedent and contract to those areas.

MRT ignored the validation of the valuation and accountant's report (Appendix 3: Attachment 7), and claimed that they were waiting on a fundraising instrument (Rights Issue to existing shareholders prepared by parent company, Empire) to become 'effective'. One of the main issues that held up application EL 14/2009 and approval of the Rights Issue lodged by parent company Empire, was that the DOM insisted the fundraising (Rights Issue) be completed prior to application EL 14/2009 being approved. At the same time, the SEC in the USA viewed that because GSLM did not have any security in the form of tenure and that the application for the Rights Issue funding instrument did not satisfy the required criteria under the Mineral Resources Development Act 1995 (The Act). Section 14 d) of the Act is the law regarding financial capacity and states; 'The Minister may only grant an application for an exploration licence if satisfied that the applicant (amongst other things)... d) is likely to have sufficient financial and technical resources to carry out the proposed work.' GSLM and its parent company Empire, have raised over \$50 million in meeting licence conditions of SEL 13/98 and were financially committed to the finance the continuing tenure ELA 14/2009.

In the last 5 years of SEL 13/98 (2004-2009), Empire has proven it is committed to financially supporting GSLM's SEL 13/98 exploration commitments, by meeting all the licence conditions, including the requirement to spend AU\$21,500,000 on exploration. Both the parent and subsidiary believe that they have delivered and demonstrated a commitment to financing and continuing with exploration interests in Tasmania, however, critical considerations have not been taken into account by the DOM in the review, recommendation and subsequent granting of EL 14/2009. Further, the amount of expenditure committed by GSLM is set above the industry standard benchmark, and GSLM is led to believe that such superfluous financial commitments that have been incorporated into past and current Licence conditions have not been imposed upon other industry tenement holders in Tasmania by comparison, raising questions of discretionary prejudice exercised by the DOM and Minister.

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

A point of relevance which may apply to the acts of discretion exercised by the DOM (Michael Leonard) are further described in separate incidents below – which demonstrate a degree of discretionary bias and discrimination against GSLM and its parent company Empire.

Date/s of Incident:

30 September 2009 (date EL 14/2009 application was lodged) through to and including 17 May 2010. Includes correspondence contained within Appendix 3.

Location of Incident

Hobart, Tasmania, 7000.

Public Authority Involved

MRT

Officers Involved

Mr Michael Leonard, Director of Mines.

What Happened?

Refer Summary of Complaint. Also see documentation:

- Appendix 3

Witnesses

Nicole Chesterman (Consultant to GSLM),

Paul Heath (Chief Operations Officer and Geologist) GSLM

Have you previously complained to the Integrity or Other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another Agency?

Some of the issues (not all, particularly issues of discretionary conduct) have been reported and captured under a claim lodged with MRT under 'Claim for Variation of Area' under s.31 2(a) of the Mineral Resources Development (MRD) Act 1995, as lodged on 30 July 2010 (Appendix 3). This claim specifically relates to GSLM's right to greater area (i.e., application area of 7,513 km²) as opposed to the 3,108km² as granted and issued by MRT. The Minister's response of 23 December 2010 confirms MRT's views and the Minister's decision in the matter, which rejected any claims under s.31 2(a) or other sections of the MRD Act 1995. The response from the Minister and correspondence from MRT now form part of a legal claim that resides within the Magistrates Court before the Mining Warden for hearing on 24 May 2011 at 10 am to which the matter has been adjourned for hearing 01 August 2011 at 2.15 pm. This document has also been submitted to the Integrity Commission 03rd June 2011.

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 2, Checklist Item 1

Misrepresentation and potentially misleading and deceptive conduct exercised by the DOM in the event that it was proposed to GSLM by the DOM to select one (1) application to proceed (and evidence to fund) which will result in a recommendation by the DOM, MRT, that EL14/2009 application (in its applied form, as lodged 30 September 2009; over 7,513km² and 5 year term) would be accepted by DOM and MRT and reliance was made by GSLM (applicant) and its parent company Empire, accordingly.

At the heart of the described matter, is the act of dishonouring an implied agreement from the DOM and MRT at a meeting held on 21 December 2009 and subsequent correspondence confirming the same, issued by GSLM during the period 1 January 2010 through to 12 March 2010.

Empire requested the ‘temporary’ withdrawal of an application pending review (tenement reference SEL13/2009 provided by MRT) on the basis of all parties (Empire, GSLM and MRT) understanding and a verbal agreement arising from the meeting held between GSLM and Empire spokespersons, the DOM and certain MRT representatives on the 21 December 2009 (Appendix 3: Attachment 22) as well as a letter sent to the DOM on 15 January 2010 (Appendix 3: Attachment 25). Mr Bendall’s letter of 15 January 2010 states that, ‘...if Empire/GSLM were to nominate one of its two applications, then MRT confirmed the evidence of, and proceeds to be derived from the USD\$9.3 million Rights Issue will be sufficient to fund one of its Licence applications, which is represented by application EL 14/2009’.

Minutes were sent as drafted by GSLM to the DOM for review on 23 December 2009 (Appendix 3: Attachment 22) and MRT’s amendments and consent to those minutes were forwarded back on 5 January 2010. At no time was the accuracy of the minutes questioned other than the points made in the letter of 5 January 2010 issued by the DOM to Empire and GSLM (Appendix 6). GSLM note the acceptance of GSLM’s letter of 15 January 2010 to the DOM in the response of 25 January 2010. Empire and GSLM had an agreement with MRT and the DOM reneged on the verbal agreement and misled Empire and GSLM into thinking that EL 14/2009 would be granted in the form applied (that is, an area representing 7,513km² over a 5 year term submitted on 30 September 2009). Subsequently, the DOM made recommendation to the Minister to grant the EL over an area representing less than 50% of the area applied (3,180 km²) over a lesser period of 2 years (not 5, as requested). This area was subsequently reduced again, after advertisement in the Mercury on 17 March 2010, to 3,108km² (Appendix 5). The granting of EL 14/2009 over such a small area for only two years demonstrated that the DOM and MRT were not prepared to grant GSLM an area over the most prospective areas as proven through previous exploration activities of SEL13/98. GSLM now question whether the discretionary actions and review of ELA 14/2009 by the

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

DOM and based on the agreement and minutes of meeting 21 December 2009 between GSLM and MRT, may represent an exercise of (discretionary) power by the DOM in a dishonest or misleading way.

Dates of Incident(s):

- Originating: Meeting held between representatives of Empire, GSLM and MRT on 21 December 2009 at location noted below (Appendix 3: Attachment 22);
- 15 January 2010; letter in response to Director of Mines correspondence 05 January 2010; (relating to meeting of 21st December 2009) (Appendix 3: Attachment 25);
- 25 January 2010; refer letter, referring to matters of above (confirming agreement) (Appendix 3: Attachment 26).

Location of Incident:

MRT Offices, Rosny Park Tasmania.

Public Authority Involved:

MRT.

Officers involved:

DOM, MRT

What Happened?

Refer Summary of Complaint. Also see below documentation;

- Minutes of meeting, 21 December 2009 (Appendix 3: Attachment 22);
- Response to review of Minutes, DOM, Letter 5 January 2010 (Appendix 6);
- GSLM letter of 15 January 2010 (Appendix 3: Attachment 25)
- DOM response 25 January 2010 (Appendix 3: Attachment 26).

Witnesses:

- Dean Lisson (Shareholder, and advisor to GSLM & Empire) – present at and party to the meeting 21 December 2009
- Nicole Chesterman (Consultant to GSLM)
- Paul Heath (Chief Operations Officer and Geologist) GSLM
- Todd Goebel (Consultant, to GSLM),
- Matthew Fitzgerald, MRT
- Carol Bacon, MRT

Have you previously complained to the Integrity or other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

As part of a claim to restore rights to additional tenure area, GSLM lodged a claim with MRT on 30 July 2010 as previously mentioned within this document. Some of the underlying commercial issues (particularly issues of discretionary and perceived dishonest conduct) have been reported and captured within the claim lodged under s.31 2(a) of the MRD Act and remains unresolved at submission date of this document (as it is now part of claims within the Magistrates Court pending). This claim *specifically relates* to GSLM's right to a greater area (i.e., the application area of 7,513 km²) as opposed to the 3,108 km² area issued by MRT. Although the claim mentions issues of probable misleading or deceptive conduct leading to recommendations and certain decisions made by the DOM, the MRD Act does not specifically provide for legal or ethical redress in matters of questionable conduct involved in making a decision by a public authority or persons.

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 3, Checklist Item 1

The DOM and MRT's improper assessment of ELA and misrepresentation of the advertised area associated with tenement EL14/2009 (including acts of deliberate exclusion of previously defined areas of prospective interest) recommending and selecting for issuance, a smaller area which has adversely impacted Empire and GSLM's continuing exploration & business interests.

GSLM applied for an Exploration Licence (EL)14/2009 over an area comprising 7,513km² on 30 September 2009 which represented the most prospective areas of interest to the company, following completion of a 10 year exploration program associated with SEL 13/98 held over a 15,035km² area over Central, Northern and Southern Tasmania. The EL application 14/2009 represented an area less than half the size of the previous licence, SEL13/98. This again, is considered reasonable industry practice in other States within Australia.

After 3 months of attempted negotiations with MRT over the proposed recommendations to issue EL14/2009 on reduced terms recommended by the DOM, no suitable resolution to maintain the required area of 7,513km² was reached and several requested meetings with the DOM were rejected during the period February 2010 to the Advertising date of EL14/2009 (Appendix 3: Attachment 11) . GSLM responded to the Director of Mines in a letter of 15th

October 2010 challenging the DOM on this issue (Appendix 8). Commercially, GSLM and Empire conceded to accept the unsatisfactory proposal to agree to the lesser terms proposed by the DOM to recommend granting EL 14/2009 on reduced terms, as too much time had lapsed (5 months) without GSLM being able to secure tenure. This had significantly deflated the share price of Empire Energy considerably and caused substantial market losses and support.

As a concession, MRT had agreed to recommend issuing an area comprising only 3,180 km², as an approximate area which was subsequently advertised by MRT in accordance with the Mineral Resources Development Act 1995. This confirmation was provided to GSLM by MRT on 05 March 2010; (Appendix 3: Attachment 11) via email and also post and had included the subtracted exclusion areas of 16 km² as recommended by Therese Taylor from MRT.

However, MRT advertised 3,180km² approximate area and then changed the Licence area to 3,108 km², without notification to GSLM. Further, GSLM have noted that no discussion was held between MRT and GSLM regarding rationale for the further reduction in area, however, several requests were made for this to which the DOM openly denied in correspondence to the company (Appendix 3: Attachment 17) (Appendix 8). Additionally, there was no discussion held between GSLM and MRT as to why the total area was not recommended over the applied for area (i.e., 7,513km²) despite at least four requests being submitted to MRT during February 2010. There was an area granted in the south of GSLM's application area that had no seismic, limited gravity and no substantial environmental works and no identified structures. However, the areas that were not granted to GSLM already had completed numerous site studies, drill plans, extensive negotiation with land owners, plus expensive valuations by RPS Energy detailing possible contained hydrocarbon resources. Additionally, GSLM completed drilling for a top hole at Stockwell (Epping Forest) and site works, which is outside of the boundary of the recommended and subsequently granted area. Stockwell was included within the 7,513km² application originally submitted. Further GSLM's work program of original application EL 14/2009 covered the entire area and included infill seismic across the other potential oil and gas bearing structures, in addition to other drilling activities over the 5 year term. The proposed AUD \$7.55 M work program covered the entire acreage (7,513km²) over the first two years; however, MRT kept GSLM to the same expenditure commitment and reduced the area to only 3,108 km² for only two years. The proposed area intended to be recommended to the Minister of Energy and Resources by the *DOM excluded over 80% of the prospective oil and gas potential bearing structures that GSLM has scientifically proven, and has spent/invested more than AU\$50 million over 10 years on exploration to prove existence of these prospective potential resources* (Appendix 1). At least 12 structures were identified and evaluated and have been independently verified by RPS Energy (Independent Petroleum Reserves Expert, Perth Australia) (Appendix 3: Attachment 6) and a valuation completed by a respected independent accounting firm to ascertain a value for the structures at US\$3.3 billion (Appendix 3: Attachment 7) as mentioned previously

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

Approximately 10 out of 12 identifiable prospective structures (& areas) were excluded by the DOM without consultation, nor any specific explanation to discussion jointly with the company.

The recommendation for the proposed area could have been discussed, negotiated and resolved during short conversation and meeting between the DOM, MRT and GSLM. The 50% reduction of area came as a suggestion from the Minister, Mr David Llewellyn, as he indicated that if GSLM agreed to reduce the area by this amount, GSLM would be assured the area. This did not happen. GSLM argued that some of the structures that have not been granted to GSLM under tenure located to the east maybe more prospective for oil than gas (such as Stockwell). The DOM improperly assessed the ELA in the first instance and then reassessed the application again (twice) – the result, inconsistent with the original recommendation – and should not have advertised an area of 3,180km² without opportunity to engage in prior discussion with GSLM, or at least given full explanation.

Dates of Incident(s):

- Refer Bob Richardson (then, Acting Director of Mines) email advice to Paul Heath Chief Operations Officer & Geologist GSLM on 02 March 2010; advising approx. area of 3,190 km² (to be less after determining exclusions) (Appendix 7) ;
- Refer Therese Taylor confirmation via email to Paul Heath Chief Operations Officer & Geologist, GSLM on 05 March 2010; area confirmed 3,180 km² – net of exclusions (Appendix 13). Also, letter from Bob Richardson as Acting Director of Mines dated 5 March 2010 (Appendix 3: Attachment 11).
- Refer Letter, Director of Mines dated 27 May 2010, EL 14/2009 as granted by the Minister for Energy and Resources, dated 17 May 2010, area granted 3,108 km² (Appendix 3: Attachment 5).

Location of Incident:

MRT, Rosny Park Tasmania.

Public Authority Involved:

MRT

Officers involved:

Michael Leonard, Director of Mines, Mineral Resources Tasmania.

Bob Richardson, Acting Director of Mines, Mineral Resources Tasmania.

What Happened?

Refer Summary of Complaint. Also see documentation as per ‘dates of Incidents’.

Refer also, the following Letters representing a chain of correspondence associated with these matters (included within Appendix 3)

- 15 October 2010; Letter from GSLM CEO Malcolm Bendall addressed to Mr Michael Leonard, DOM in response to an email dated 1 October 2010 addressed to Paul Heath, Chief Operations Officer & Geologist, GSLM (Appendix 8).
- 1 October 2010: email from Michael Leonard, Director of Mines, Mineral Resources Tasmania to Paul Heath, Chief Operations Officer & Geologist, GSLM at 9.25am (Appendix 8: Attachment 1).
- 22 February 2010; email from Paul Heath Chief Operations Officer & Geologist, sent to Michael Leonard, carbon copy Carol Bacon (MRT) at 12.55pm (Appendix 8: Attachment 2).
- 15 February 2010; letter from Michael Leonard, DOM, MRT addressed to Mr Bendall, CEO GSLM (Appendix 8: Attachment 3).
- 22 February 2010; email from Michael Leonard, Director of Mines, Mineral Resources Tasmania sent to Paul Heath, Chief Operations Officer & Geologist, GSLM – refer comment in last paragraph.(Appendix 8: Attachment 4)
- 25 February 2010; email from Paul Heath to Michael Leonard, Director of Mines, carbon copy Carol Bacon, Mineral Resources Tasmania, - further request for meeting sent 1.33pm & accompanying letter dated 25 February 2010 from Malcolm Bendall addressed to Director of Mines, Mineral Resources Tasmania (Appendix 8: Attachment 5, Appendix 8: Attachment 6).
- 26 February 2010; letter from Mr Michael Leonard, Director of Mines, Mineral Resources Tasmania to Malcolm Bendall, CEO GSLM. Refer highlighted text (Appendix 8: Attachment 7).
- 11 March 2010; refer email from Robert Richardson, Mineral Resources Tasmania to Paul Heath, Chief Operations Officer & Geologist, GSLM RE: Advertising of EL 14/2009 and Area.(Appendix 8: Attachment 8)
- 12 March 2010; refer letter Malcolm Bendall CEO GSLM sent to Acting Director of Mines, Mineral Resources Tasmania and letters titled (supplementary information) (Appendix 8: Attachment 9);
 - a) RE: URGENT – Failure to deal with application EL14-2009 (3)
 - b) RE: URGENT – Failure to deal with application EL14-2009 (2)
- 17 March 2010; refer letter Acting Director of Mines, addressed to Malcolm Bendall, CEO GSLM. (Appendix 8: Attachment 10)
- Minutes of meeting – as taken from meeting held at MRT, Rosny Park offices, 21 December 2009 at 3pm. (Appendix 8: Attachment 11).

Witnesses:

Nicole Chesterman (Consultant to GSLM),

Paul Heath (Chief Operations Officer and Geologist) GSLM

Have you previously complained to the Integrity Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

As part of a claim to restore rights to additional tenure area, GSLM lodged a claim with MRT on 30 July 2010 as previously mentioned within this document. Some of underlying commercial issues have been reported and captured and a claim lodged under s.31 2(a) of the MRD Act to which the Minister responded 23 December 2010 unfavourably. This claim specifically relates to GSLM's right to a greater area (i.e., application area of 7,513 km²) as opposed to the 3,108 km² as issued by MRT, and although the claim mentions issues of probable misleading or deceptive conduct leading to recommendations and certain decisions made by the DOM, the MRD Act does not specifically provide for legal or ethical redress in matters of questionable conduct involved in making a decision.

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 4, Checklist Item 1

An alleged breach of Confidentiality by Mineral Resources Tasmania Staff through the action of the distribution of information relating to SEL13/98 which contained information relating to EL14/2009.

GSLM's tenement SEL 13/98 Final Report (Appendix 1) was completed for MRT shortly after the SEL 13/98 expired on 30 September 2009. On 21 October 2009, 3 marked, registered copies were provided to MRT by GSLM for internal MRT use and library reference.

GSLM believes that copies submitted as a requirement of the MRD Act for this purpose are to be held in confidence for a specified period and are also deemed to be property of the State.

GSLM was party to a witness account, whereby an incident occurred with a gentleman from the USA, Mr Ramsay Barrett, a shareholder of a company called Overseas Energy Holdings Limited (OEHL) - a company with competing interests to explore for oil and gas within Northern Tasmania (onshore) Tasmania Basin. Mr Barrett was provided with an official MRT control copy (as sent by GSLM to MRT) by Carol Bacon, an officer of MRT, on 2 June 2010 noting at the time that the document was in fact, public information for distribution.

GSLM observe that at the time, EL 14/2009 had only just been issued by the Minister for Energy and Resources (The Hon. Mr Bryan Green) two weeks prior, with the Licence dated as signed 17 May 2010 (Appendix 3: Attachment 5); and cover letter issued by MRT dated 27 May 2010 (Appendix 3: Attachment 5). The end of term report SEL 13/98 issued to Ramsay Barrett by MRT was a control copy (1 of 3) issued by GSLM to MRT to comply with the MRD Act Section 189 a) & b), and was not deemed by the company to be a public document at that time. Further, GSLM included details and specific, sensitive technical information within the aforementioned Report that applied to the issued tenure of EL 14/2009 and the area under dispute (7,513 km²) – to which GSLM has sought legal claim.

GSLM and Empire are aware that confidentiality is to be maintained as per MRD Act s.190 (2) as records are to be kept confidential after the licence ceases to be in force if – (a) an application for the extension of the term of a licence is made during its currency; and (b) no more than 5 years have elapsed since the records were required. GSLM and its parent company Empire believe the report was exempt from s.190 (4) of the MRD Act as EL 14/2009 had legal claims that were pending for consideration with MRT and the DOM under the provisions of the MRD Act 1995. The report details the area under tenure in force, EL 14/2009 and contains specific and comprehensive exploration results arising from works performed under former tenement SEL 13/98 held by GSLM to which the latter claims it has first right of refusal in contract and equity to those areas.

Empire and GSLM now question the action of MRT staff in issuing such documents to members of the public, where it is clear, that these documents have been distributed to members of the public without authorisation from GSLM and whilst held in confidence, thereby potentially breaching confidentiality.

Dates of Incident(s):

A meeting held on 02 June 2010 between Carol Bacon (MRT) and Mr Ramsay Barrett (shareholder, OEHL); details as witnessed and as recorded in minutes taken from a meeting by GSLM staff and Mr Ramsay Barrett the next day.

Location of Incident:

MRT Offices, Rosny Park Tasmania.

Public Authority Involved:

MRT

Officers involved:

Carol Bacon, Mineral Resources Tasmania.

What Happened?

Refer Summary of Complaint. Also see minutes taken from meeting with Ramsay Barrett dated 17 June 2010 and accompanying correspondence (Appendix 9).

Witnesses:

Nicole Chesterman (Consultant to GSLM),
Paul Heath (Chief Operations Officer and Geologist) GSLM
Malcolm Bendall (CEO, GSLM)
Clive Burrett (Chief Geologist)

Have you previously complained to the Integrity or any other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 5, Checklist Item 1

Insufficient audit and inquiry by MRT into the use of stolen information belonging to GSLM by a competing oil and gas exploration company, Overseas Energy Holdings Limited (OEHL). Michael Roberts principal of OEHL, allegedly mislead his company investors and induced investment from them to drill a target named Westwood #1 (Well) located within tenement SEL 5/2005(held by OEHL) adjacent to tenement SEL13/98 held by GSLM, to gain 'favour' with MRT and the Minister. This was orchestrated by Michael Roberts to ensure his company would have a better chance at obtaining any areas released by GSLM after expiry of SEL 13/98 and may be linked to acts of discretionary prejudice by the DOM against GSLM. This in turn may have affected the decisions and behaviour by the DOM and MRT in dealing with EL14/2009 and issuing that licence on unfavourable (or lesser) terms to GSLM. An OEHL investor had told GSLM staff that Michael Roberts had communicated verbally with certain OEHL investors that he had gained 'favour' with the Minister and the DOM for drilling Westwood #1, potentially prejudicing GSLM and Empires continuing exploration opportunities in Tasmania. Further, Mr Ramsay Barrett, OEHL investor, visited the GSLM offices after visiting MRT and advised GSLM that he had in his possession certain documents and data that Michael Roberts had used and made reference to further a commercial purpose that belonged to GSLM and Empire and was not in the public domain. Mr Barrett sought to return the documents to GSLM knowing this was not lawful and sought personal waiver and indemnity. It should be observed that Michael Roberts was a former Chairman of GSLM until 2007 and that MRT and the DOM were aware of this fact.

On the 2 and 3 June 2010, an investor of OEHL (Overseas Energy Holdings Limited), Mr Ramsay Barrett from the USA, visited the GSLM Hobart office, unannounced. OEHL is a

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

company registered in the Cayman Islands, also formerly known as M R Associates. It is noted that OEHL's principal, Mr Michael Roberts, was a former Chairman of Empire and GSLM during 2006 & 2007.

Mr Barrett told GSLM staff of prior meetings held with OEHL's principal, Michael Roberts, and that he had been provided with documents by Michael Roberts belonging to GSLM; such as geo-scientific data and annual reports which were proprietary to and held commercial in confidence (not in the public domain) by GSLM at the time. GSLM discussed the issue with Mr Barrett that any unauthorised use, reference and distribution of this data by Michael Roberts, could be recognised as an act of fraud by Roberts and OEHL. Further, GSLM was made aware of such facts that Michael Roberts has held open discussions with OEHL shareholders (as noted within minutes taken from the meeting with Ramsay Barrett) that an area within tenement SEL13/98 held by GSLM was of interest to OEHL's future drilling program (Appendix 9). GSLM was made aware that discussions had been held between Michael Roberts and MRT about OEHL's interest in any prospective areas to be released by MRT that had been held within GSLM's SEL13/98 tenement and were not granted to GSLM under application EL14/2009.

Further, GSLM has noted that certain data belonging to GSLM, which was not public information, had been distributed by Michael Roberts to third parties upon which they have reliance to make investment into OEHL, without the knowledge nor permission of GSLM. GSLM believes that the use and distribution of unauthorised company information to advance a commercial purpose and induce investment into a highly speculative business, as well as the presentation of false or misleading information and statements (to investors, the market and MRT) is of material interest to MRT and the Minister under the MRD Act s.202 (a) & (b). GSLM further believes that sufficient probity and diligence exercised in the review process of applications (including permits) by MRT staff would have avoided this action.

MRT and the DOM were aware of the previous office held by Michael Roberts within Empire and GSLM and therefore, in undertaking their own diligence in respect of OEHL's permits and operations, should have been alerted to the potential conflict of interest under duty of care. Additionally, OEHL did not complete any seismic or significant exploration over the area where OEHL's first and only drill hole, referred to as 'Westwood #1' was executed and is located.

OEHL openly referenced and relied upon the GSLM seismic acquisition data and reports, of which MRT would have been aware this information belonged to GSLM, as used for the basis for OEHL's permits and applications. Further, GSLM have found on the web open published documents for OEHL investors that have used without permission from GSLM data that belongs to the company. The OEHL Westwood #1 well drilled in Northern Tasmania did not reach its intended target. The planning associated with this well, including the drilling permits and reports, referred to and included seismic data obtained through exploration completed by GSLM across parts of tenement SEL 13/98. Further it was

confirmed that divining techniques were used to further define the drilling site at Westwood #1 well, location and depths (not science). This practice would not have been perceived as professional nor legally disclosed to potential OEHL investors. Further GSLM assume that MRT were aware of this practice, which presents great risk to investors and Government perception of activities, and is not deemed to be an acceptable professional approach to exploration within the Industry.

According to this investor, it was debated as to whether the Westwood well target would be prospective based on the data, but was however, drilled in order to obtain 'favour' with MRT and the Minister. This was so that OEHL may have a right to apply for and obtain access to, any areas not granted to GSLM that may be publicly available subsequent to GSLM applying for renewal of tenure through Licence (ELA 14/2009) before or shortly after the end of term of SEL 13/98 on 30 September 2009 (Appendix 2). GSLM was told by the Investor that OEHL believed and disclosed to its investors that the Minister and MRT look more favourably upon companies that perform drilling to have a better chance at securing more prospective areas of tenure – more particularly, identified areas which reside within SEL 13/98 as scientifically proven and reported in the exploration results by GSLM. Further, Mr Barrett had a meeting with Carol Bacon (MRT officer) during which she assured Mr Barrett that all of GSLM's Licence area (comprised under SEL 13/98) would be available (within a year) and that OEHL would be considered as a successor to obtain title to those areas because of drilling Westwood #1 well. Mr Barrett did not believe the certainty of OEHL's entitlement based on the information given and the communications and statements made by OEHL's principal, Mr Michael Roberts to investors (which was the reason why Mr Barrett travelled from the USA to Australia to perform due diligence on OEHL and speak with MRT directly). At the meeting, Carol Bacon handed Mr Barrett a copy of GSLM's final exploration report of which GSLM note that it was one of three copies provided to MRT (controlled copy) not for distribution. This information was handed out to a third party before any advertising took place over any area comprised within former SEL 13/98 and parts of the Report were deemed to be confidential.

EL 14/2009 was granted to GSLM on 17 May 2010 for an area comprising only 3,108 km² which was significantly less than the applied for area of 7,513 km² 8 months after the application was lodged which was 30 September 2009. GSLM and Empire are concerned that the acts of OEHL and Michael Roberts, and the unlawful reference to and commercial use of proprietary, confidential, geological reports, data and information belonging to GSLM, has been used by OEHL to prejudice GSLM's chances of obtaining a first right of refusal over the 'most' prospective areas arising from exploration results of SEL13/98 and contained within the original application ELA 14/2009 as submitted on 30 September 2009 to MRT, representing an area of 7,513 km².

GSLM questions whether the discretion and degree of diligence and probity exercised by Director of Mines and MRT staff in assessing and approving the Drilling Permit, and Report prepared by RPS Energy (Perth) for OEHL (all of which were produced using GSLM seismic

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

and other results, without permission and held in confidence) was in fact in the knowledge that the information used and referred to by Michael Roberts and OEHL in the process of planning the Westwood #1 Well was without permission from GSLM and used unlawfully (not proprietary to OEHL).

GSLM also questions whether appropriate discretion was exercised by the DOM in the knowledge that both the DOM and MRT knew Michael Roberts was a former Chairman of GSLM and Empire (during 2006/2007); and that whether the DOM's recommendation to grant EL 14/2009 on a significantly reduced terms has or can be linked to suspected and alleged acts of possible collusion, conspiracy and acts to defraud the company (GSLM and/or Empire) and tortuous business interference which may have prejudiced GSLM's current tenure EL 14/2009, granted on terms less favourable than originally applied.

Dates of Incident(s):

A meeting was held on 02 June 2010 between MRT representative, Carol Bacon and Mr Ramsay Barrett (shareholder, OEHL); details as witnessed and as recorded in minutes taken from a meeting by GSLM staff and Mr Ramsay Barrett the next day, as summarised and dated 17 June 2010. See minutes of that meeting for detail. Actual details of specific dates associated with related incidents vary and have occurred during a period of time (2007 through to April 2010).

Location of Incident:

Mineral Resources Tasmania Offices, Rosny Park Tasmania.

Officers involved:

Director of Mines, Mineral Resources Tasmania.

What Happened?

Refer Summary of Complaint. Also see minutes taken from meeting with Ramsay Barrett dated 17th June 2010 and accompanying correspondence.

Witnesses:

Nicole Chesterman (Consultant to GSLM),
Paul Heath (Chief Operations Officer and Geologist) GSLM
Malcolm Bendall (CEO, GSLM)
Clive Burrett (Chief Geologist)

Have you previously complained to the Integrity or other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 6, Checklist Item 1

Determination of whether conduct of DOM and staff at MRT involves a breach of the State Service Act 2000, Section 9 (3) and whether functions or powers of MRT have been used in a dishonest or improper way, or other inappropriate behaviour has been exercised. GSLM and Empire view the issues below as acts of discrimination and believe they demonstrate a bias against GSLM, Empire, and Bass Energy Pty Ltd – a related party company – and other related party companies.

Between 30 September 2009 and 17 May 2010, GSLM experienced significant commercial time delays as a result of dealings with MRT and the DOM, including acts of improper conduct and an apparent failure to deal with ELA 14/2009. GSLM has also been made aware of statements made by MRT staff members that have been verbally expressed to contractors of related party entities connected to GSLM and its CEO, Mr Malcolm Bendall. These statements, which have been summarized in correspondence and quoted below clearly show acts of ‘carefully’ construed vocal communication, representing indirect and direct expressions of discrimination on the part of MRT staff in handling any associated company or business matters where there is a connection to GSLM’s CEO, Mr Malcolm Bendall.

These present real issues of concern of serious misconduct and are defined as acts of discrimination which are a possible breach of the State Service Act 2000 Section 9 (3) by officers of MRT.

As associated companies, GSLM and Empire have experienced ‘difficulties’ in historical dealings and communications with MRT and this behaviour can and may be linked to a series of contrivances associated with the failure to deal with GSLM’s application for Exploration Licence EL14/2009 as lodged on 30 September 2009.

Details of Specific Incident (Evidence/What Happened):

Quote: an email sent to Nicole Chesterman from a contractor, SEMF Consultants Pty Ltd– documenting a summary of a conversation with Mr David Green, Senior Geologist from MRT, 03 February 2010. Part of the suspended quote is as follows as an extract:

Quote:

“Apparently a response to Bass Energy’s’ October 15 correspondence was 'written' prior to Christmas (by MRT) and was sent around for finalising but was never sent. The letter was not picked up again until (Fiona Keserue-Ponte) sent an email on Friday 29 Jan 2010 (to follow up).’ Bass Energy had requested on two occasions a response to be

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

issued which was not formally issued by the DOM until February 2010 – some 4 months later.

Bass Energy has asked as the issues relate also to GSLM; why did the response take so long, and was there any clear intention to deliberately delay a response to be issued by the DOM to Bass Energy Pty Ltd given it is a related party to GSLM and as Nicole Chesterman is a related party to Malcolm Bendall.

Also (taken from the same correspondence as quoted by SEMF to Nicole Chesterman);

“(David Green) noted that given the 'checkered history of Bass Resources (a company of whom Malcolm Roy Bendall is a Director) and certain individuals', and associations with Bass Energy, (inference is of Malcolm Roy Bendall) SEMF may have a better chance of having a more candid exchange with the Minister and others.’ – This clearly demonstrates views of unwillingness to assist including indirect or direct discrimination against Malcolm Roy Bendall and any company of whom he is an associate.

“(David Green) He noted that, internally, (at MRT) 'they' do not look favourably on the Minister going to them for advice on matters they are not aware of. Bass Energy’s consultants viewed this as a suggestion that it may be appropriate for correspondence to the Minister to be copied to relevant people down the line, (i.e., MRT) in order to assure a more favourable 'treatment'. End quote. – This was in response to a letter Bass Energy Pty Ltd issued to the Minister which was referred to MRT for a response, to which David Green made verbal comment to Bass Energy Pty Ltd’s development consultants, SEMF.”

GSLM and associated companies of GSLM have elected to be considerably reserved, professional and patient in dealing with MRT and the DOM in all attempts to achieve a more positive working relationship with MRT and the Minister to achieve desirous outcomes.

Empire Energy and GSLM are concerned that through various acts of the DOM (past and present) and MRT, both companies have not been awarded administrative and procedural fairness in Exploration Applications that have been submitted and forwarded to MRT and the Minister.

Empire and GSLM now insist upon a review into the professional conduct of staff at MRT in dealings with Empire, GSLM and any associated entities, to ensure that the discretionary power of the DOM is not being exercised in bad faith or represents discrimination of any kind (whether direct or indirect) toward GSLM, Empire or any related parties.

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

GSLM and Empire believe that a nexus exists comprising orchestrated acts of deliberation, incessant delays, the subsequent failure to deal with EL 14/2009 (in issues previously detailed within this document) and the above matters associated with related parties, which may be considered biased, unreasonable and outside of the realm of procedural and discretionary fairness.

Public Authority Involved:

MRT, Rosny Park

Dates of Incident(s):

Refer SEMF email to Nicole Chesterman (Acting CEO Bass Energy Pty Ltd of whom Malcolm Roy Bendall is a related party (a Director); – documenting a summary of a conversation with David Green, Senior Geologist from MRT, 03rd February 2010 as communicated to Nicole Chesterman).

Location of Incident:

MRT Offices, Rosny Park, Tasmania.

Officers involved:

Michael Leonard, Director of Mines.

David Green, (Senior Geologist, MRT)

David Green, representing the views of MRT staff (the Department);

What Happened?

Refer Summary of Complaint.

Witnesses:

Nicole Chesterman (Consultant to GSLM),

Malcolm Bendall (CEO, GSLM & Bass Energy Pty Ltd)

Have you previously complained to the Integrity Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No.7, Checklist Item 1

The DOM acting on incorrect or incomplete legal advice and pursuing matters without legal purpose.

The DOM went to the Solicitor General (SG) for advice – twice within the period 1 February 2010 to 30 April 2010. GSLM request a review of the Solicitor General’s advice to MRT and the DOM regarding conduct following:

- a) Advice regarding the February letter sent by Mr Bendall; which was formally withdrawn (same day) and an apology issued (Appendix 8: Attachment 6);
- b) MRT’s validity of public objections tabled and held in respect of EL14/2009 (after it was advertised) and legal ruling.

GSLM request that details of discussions between the DOM and the SG be made available in respect to the validity of objections to EL14/2009. Legal advice sought on behalf of GSLM indicates that the majority of objections tabled were in fact, invalid (Appendix 3: Attachment 37). Why were the objections tabled if not ‘valid’? Again, GSLM raises issues of procedural fairness and application of discretion (in bad faith). This imposed further time delays in dealing with and issuing of EL14/2009 to GSLM. Under the circumstances there appears to have been unnecessary and procedurally ‘unfair’ discretion exercised by the DOM and MRT.

Further, at the advice of the Minister for Energy and Resources at the time (Mr David Llewellyn), Mr Malcolm Bendall submitted an apology to retract a letter issued to the DOM which was perceived as intimidating and sought withdrawal of the correspondence as directed by the Minister. The withdrawal of the letter by Mr Malcolm Bendall was part of an agreement reached with the Minister, which was that if the letter was retracted, the Minister and MRT would process the licence, to which GSLM again were deceived into believing that the 7,513km² area and 5 year term for ELA14/2009 would be granted. The letter stated in item a) was ignored by the DOM who sought the Solicitor General’s advice on seeking to investigate the matters contained in that letter on a personal basis with Malcolm Bendall. The letter was written by Mr Bendall as CEO of GSLM and summarised GSLM’s ‘frustration’ arising from MRT’s failure to deal with EL14/2009.

Mr Bendall sought independent legal advice in relation to the circumstances and correspondence which confirmed that the claims made by the Solicitor General (or Counsel acting on behalf of the DOM); were not in fact correct and did not consider Mr Bendall’s apology issued February 2010. Mr Michael Leonard proceeded with instructions to send investigative officers of the CIB/Police to the offices of GSLM to pursue the claim and attempt to issue warrant against Mr Bendall. Mr Bendall’s solicitor dealt with a phone inquiry to dismiss the claims and settle the matter but these actions and legal advice were ignored by the DOM and the Crown.

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

Dates of Incident(s):

Item a.

- 24 February 2010; Original letter from GSLM written by Malcolm Bendall lodged with Mineral Resources Tasmania addressed to Director of Mines; RE: Urgent matters Application EL14/2009 for 7,513km². Letter addresses issues of recommendation made by the Director of Mines regarding the licence and a proposal to move forward (Appendix 9: Minutes (2&3Jun10) GSLM meeting with Ramsay Barrett
- Appendix 10).
- 25 February 2010; Apology and notification of withdrawal letter (refer letter of 24th February 2010) issued to the Minister for Energy and Resources and also the Director of Mines, Mineral Resources Tasmania (Appendix 8: Attachment 6).

Item b.

- 21 April 2010 – advice from Carol Bacon MRT to GSLM advising objections lodged against ELA 14/2009 (Appendix 3: Attachment 36).
- 22 April 2010 – advice provided by GSLM's solicitors, Shields Heritage, advising that MRT is requested to determine that none of the objections are qualifying objects which need to be confronted by GSLM (Appendix 3: Attachment 37).
- 26 April 2010 – Letter from Paul Heath Chief Operations Officer and Executive Geologist to Director of Mines, Mineral Resources Tasmania, requesting details of the basis of the objections and confirmation of attendance of the meeting to discuss objections. (No response was received from MRT in the interim) (Appendix 11).
- 17 May 2010 – Alan Barnett (GSLM Consultant) and Clive Burrett (Chief Geologist) went to Minister for Energy and Resources Offices at 1 Franklin Square Hobart to retrieve the Licence copy of EL14/2009.

Location of Incident:

MRT Offices, Rosny Park Tasmania.

Public Authority Involved:

MRT, Rosny Park Tas 7005

Officers involved:

Michael Leonard, DOM, MRT.

Carol Bacon, MRT

What Happened?

Refer particulars, Summary of Complaint.

Witnesses:

Item a.

Nicole Chesterman (Consultant to GSLM),
Paul Heath (Chief Operations Officer and Geologist) GSLM
Malcolm Bendall (CEO, GSLM)
Robert Allen, DLA Phillips Fox (Melbourne) acting for Malcolm Bendall.

Item b.

Nicole Chesterman (Consultant to GSLM),
Paul Heath (Chief Operations Officer and Geologist) GSLM
Malcolm Bendall (CEO, GSLM)
Murray Chambers, Shields Heritage (Barristers and Solicitors) acting for GSLM.

Have you previously complained to the Integrity or other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this matter to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

The issues surrounding validity of the objections have been briefly referred to and mentioned within the Claim for Variation of Area and appendices (Appendix 3) but has been included as a point of conduct only and does not qualify for recourse as part of the claim lodged under s.31 2(a) of the MRD Act therefore this has been noted as lodged within the aforementioned claim with MRT. This issue remains unresolved as at submission date of this document. This claim specifically relates to GSLM's right to a greater area (i.e., application area of 7,513km²) as opposed to the 3,108 km² as issued by MRT. Although the claim mentions issues of probable misleading or deceptive conduct leading to recommendations and certain decisions made by the DOM, the MRD Act does not specifically provide for legal or ethical redress in matters of questionable conduct involved in making a decision.

Complaint No 8, Checklist Item 1

The DOM's failure to deal with the original application for EL14/2009 in the required manner:

Notwithstanding the issues mentioned above, GSLM has experienced an apparent failure to deal with (and) subsequently issue EL14/2009 to GSLM in a timely and appropriate manner

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

with respect to the commercial circumstances at hand and stake. Alongside this are the instances that may be perceived as being deliberate delaying tactics, including: some of the procedural and review tasks deployed by MRT Staff and the DOM in assessing ELA14/2009; the submission of an incorrect Public Notice (Appendix 5); the objection process (to which the majority of objections were held invalid); and the intent of the DOM not to return to the company the Ministerial signed copy of the final, physical Licence shortly after its signing.

In the latter matter, GSLM had to send a representative to the Minister's office to retrieve a signed copy of the Licence as it was being held at the instruction and discretion of the DOM to be withheld (and not issued to the company). It was only due to the persistence of the GSLM representative that the document was eventually handed over to GSLM by Ministerial Secretarial Staff.

Dates of Incident(s):

Refer 'Claim for Variation of Area' s.31 2(a) of the Mineral Resources Development Act 1995 and all relevant appendices for full historical account leading up to issuance of EL14/2009. (Appendix 3)

Location of Incident:

MRT Offices, Rosny Park, Tasmania.

Public Authority Involved:

MRT, Rosny Park

Officers involved:

Mr Michael Leonard, Director of Mines.

What Happened?

Refer Summary of Complaint.

Witnesses:

Nicole Chesterman (Consultant to GSLM),

Paul Heath (Chief Operations Officer and Executive Geologist) GSLM

Malcolm Bendall (CEO, GSLM)

Alan Barnett (Consultant, GSLM)

Robert Allen, DLA Phillips Fox (Melbourne)

Murray Chambers, Shields Heritage Hobart.

Have you previously complained to the Integrity or other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this/these matters to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 9, Checklist Item 1

Failure to reinstate SEL13/2009 after agreement was reached with DOM and failure by the DOM to honour an agreement with GSLM and Empire therefore misleading the companies into believing that if SEL13/2009 was withdrawn, that EL14/2009 as lodged by GSLM would be granted in its applied form, as lodged 30 September 2009.

GSLM and Empire refer to the letter from the DOM and dated 23 March 2010 (Appendix 3: Attachment 28). This is formal notification that Empire appeals the decision made by the DOM not to reinstate Application SEL 13/2009 for the following reasons:

Empire requested the ‘temporary’ withdrawal of SEL 13/2009 on the basis of GSLM’s understanding and agreement resulting from the meeting (Appendix 3: Attachment 22) on the 21 December 2009 between GSLM, Empire and MRT; and a letter sent to the DOM on 15 January 2010 confirming the same outcome and agreement. The GSLM letter of 15 January 2010 states that, ‘...if Empire/GSLM were to nominate one of its two applications, then MRT confirmed the evidence of, and proceeds to be derived from the USD\$9.3 million Rights Issue will be sufficient to fund one of its Licence applications, which is represented by application EL 14/2009. GSLM noted the acceptance of the letter of 15 January 2010 within the DOM response of 25 January 2010 (Appendix 3: Attachment 26).

GSLM also refers to the EL 14/2009 Public Notice in the Mercury (Appendix 5) and Examiner noting that the DOM had dishonoured GSLM’s agreement of 15 January 2010. In particular, the DOM had reduced GSLM’s application area and discarded 80 percent of the company’s discovered potential prospective structures (resources) that were applied for within the original application, EL 14/2009 (Appendix 3: Attachment 6). On 17 March 2010, Empire requested that MRT reinstate application SEL 13/2009 based on the dishonoured agreement. The application fees were still held by MRT at that time. A letter from MRT on 23 March 2010 states ‘there are no provisions in the Mineral Resources Developments Act 1995 to reinstate an application once it has been withdrawn.’ Empire has given notice to appeal this decision.

The withdrawal of SEL 13/2009 was performed on the basis that the consolidated entity (Empire and GSLM) would not have sufficient financing to fund both exploration programs, as viewed by the DOM and MRT. GSLM and Empire note that the requirement of ‘financial capacity’ was met with an independent valuation by WHK Denison of the prospective structures within SEL 13/98 (equating to AU\$3.3billion) carried out prior to the expiry of

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

GSLM's tenement SEL 13/98 on 30 September 2009. . This report was attached to the application for EL 14/2009 and was a primary prerequisite to support future applications, as noted from and within correspondence forwarded by the Deputy Secretary of Department of Infrastructure Energy & Resources on 17 July 2009 to GSLM. At the time, GSLM owned and had proven the value of this AU\$3.3 billion asset.

Dates of Incident(s):

Refer 'Claim for Variation of Area' s.31 2(a) (Appendix 3) of the MRD Act 1995 and all relevant appendices for full historical account leading up to issuance of EL 14/2009.

Location of Incident:

MRT Offices, Rosny Park, Tasmania.

Public Authority Involved:

MRT, Rosny Park Tas 7005

Officers involved:

Michael Leonard, Director of Mines.

What Happened?

Refer Summary of Complaint.

Witnesses:

Nicole Chesterman (Consultant to GSLM),

Paul Heath (Chief Operations Officer and Executive Geologist) GSLM

Malcolm Bendall (CEO, GSLM)

Alan Barnett (Consultant, GSLM)

Have you previously complained to the Integrity or other Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this/these matters to another agency?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Complaint No 10, Checklist Item 1

Advertising of Exploration Release Area (ERA) 791 and ERA 852 and data – Intent of DOM and failure to deal with claim under s.128 (n) of the MRD Act 1995:

Two Exploration Release Areas (ref: ERA 791 and ERA 852) were advertised on the Government land tenure website, 'The List'; and were also referenced within MRT's tenement administration database, with all GSLM's SEL 13/98 end of term reports publicly available through MRT. The ERA 791 area comprised parts of the current two primary prospective targets of the Bellevue and Thunderbolt sites including detailed geological reports. These targets have been issued under the EL 14/2009 3,108km² area as granted to GSLM on 17 May 2010; however, a large portion of the structures as defined through previous exploration under SEL 13/98 may be available to other tenement clients through the ERA release process.

A claim has been lodged with MRT as per s.128 (n) of the MRD Act 1995 in respect of ERA791, as it is a current dealing with the former area comprised within SEL 13/98, and granted EL 14/2009 to which an application for variation of area was lodged 30 July 2010 (Appendix 3) in an attempt to establish certain exploration finding claims. GSLM submitted an application which establishes a right claimed in, under or in relation to a mineral tenement or purported mineral tenement under section 128 (n) of the MRD Act 1995 which is currently represented by ERA 791 or its constituent parts (includes ERA 852 and other potential ERAs that would reside within the original 7,513km² area applied for as EL 14/2009.

Empire and GSLM have observed under the MRD Act 1995 that the DOM is to attempt to resolve any claim under s.130 (1) of the MRD Act 1995 and that a resolution of (a) the claim to the satisfaction of all parties is final and binding, MRD Act 1995 s 130 (3). GSLM and Empire as a parties to the claim, require the Director to resolve the claim, within 28 days, MRD Act 1995 s 130 (2). If the Director is unable to resolve the claim to the satisfaction of all parties, MRD Act 1995 s 130 (6), both parties note that the Director is to notify the Registrar, and the Registrar is to refer the claim to the Mining Tribunal within 7 days of receiving the notification, MRD Act 1995 s 130 (7). Empire and GSLM further note that as at the date of this submission, no notification has been received by the DOM as to his resolution of this matter or whether the claims have been referred to the Mining Tribunal. It has been more than 6 months since lodgement of that claim with no further advice being provided by the DOM as to his intentions and directions under the Act.

In addition, the parties note that the right claimed within ERA 791 or its constituent parts has been legally established within the written request and application by GSLM to the Minister for Energy and Resources, to consider a variation (increase) of area relating to EL 14/2009. This was lodged with MRT and the Minister's office on the 30 July 2010. The application has been lodged in respect of section 31 (2 a) of the MRD Act 1995.

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

GSLM and Empire seek a suitable resolution to these rights and claim, notwithstanding the Minister's response to GSLM dated 23 December 2010 which was not resolute. Empire and GSLM require that the Director and the Minister make fair assessment of and reconsider the conditions of current EL 14/2009, and make adjustment to the 3,108 km² area granted, to more accurately and equitably reflect GSLM's commercial interests. The parties agree that these commercial interests are evident within the results from the previous work program of SEL 13/98 and represent legitimate entitlement to a much larger licence area. This area should denote EL 14/2009 as applied for (lodged 30th September 2009), encompassing/including the 7,513km² area for a term of 5 years, and also the most prospective areas contained within ERA791 or its constituent parts comprising a total area of 11,927km².

Dates of Incident(s):

Refer 'Claim for Variation of Area' s. 31 2(a) (Appendix 3) of the MRD Act 1995 and all relevant appendices for full historical account leading up to issuance of EL 14/2009. Dates of incidents span from 30 September 2009 through to 30 August 2010.

Location of Incident

MRT Offices, Rosny Park, Tasmania.

Public Authority Involved

MRT, Rosny Park Tas 7005

Officers involved

Mr Michael Leonard, Director of Mines.

What Happened?

Refer Summary of Complaint.

Witnesses

Nicole Chesterman (Consultant to GSLM),

Paul Heath (Chief Operations Officer and Executive Geologist) GSLM

Malcolm Bendall (CEO, GSLM)

Have you previously complained to the Integrity Commission about this matter?

This document has also been submitted to the Integrity Commission 03rd June 2011.

Have you reported this/these matters to another agency?

A claim has been lodged by GSLM with MRT in respect of section 31 (2) a of the MRD Act 1995 (variation of area) and a right claimed in, under or in relation to a mineral tenement or purported mineral tenement under section 128 (n) of the MRD Act 1995. GSLM has received an unsatisfactory response in respect of the claim and has now made application to the Magistrates Court by way of Claim, listed for hearing 01st August 2011 at 2.15pm.

This document has also been submitted to the Integrity Commission 03rd June 2011.

CONCLUDING STATEMENT**Delays in handling matters of administration, GSLM and Empire and Claims associated with EL14/2009**

GSLM refers to a letter from Empire to MRT dated 22 July 2010 entitled 'Application for Approval of a written instrument EL14/2009 s.176 MRD ACT establishing a legal or equitable interest' (Appendix 12). Further to a recent meeting on the 03 September 2010 with the Minister for Energy and Resources, the Hon. Mr Bryan Green, GSLM received a response from MRT dated 23 December 2010 with a recommendation to seek the DOM's determination as to the likely approval of the written instrument and its effectiveness. The response ignored the legal provisions and claims made under the MRD Act 1995.

GSLM and Empire have been concerned about the timing and delays in handling this and other matters of commercial interest. There is, and has been, an apparent inability on the part of MRT and the DOM to deal with matters submitted by GSLM or Empire within a reasonable commercial timeframe and in some instances, clear prejudice has been demonstrated.

The DOM's discretion appears to have been impaired by an inability to provide professional advice without seeking legal counsel (or having all correspondence being pushed through the Solicitor General), which has led to recent exchanges of correspondence being tied up in a form of due process, causing delays beyond a standard, 28 day turn around period. This has been commercially damaging to the companies. A continuing relationship of this nature is untenable and cannot be sustained between MRT, GSLM and Empire. GSLM now question whether these deliberations have been enacted by the DOM and MRT in bad faith and without procedural fairness, given the tainted history of MRT and MRT personnel with their views of GSLM and related parties of GSLM and Empire. This includes various acts of discrimination (whether direct or indirect) which may have been orchestrated as the company has experienced continued, incessant delays that could possibly have been avoided if various persons within MRT did not hold adverse or indifferent opinions of particular persons associated with GSLM and Empire. The management of both companies can not foresee how

a continuing working relationship can be sustained between the DOM and other members of MRT as a result of recent transactions and events as described within this document.

DESIRED OUTCOME TO ALL COMPLAINTS

- That the current Director of Mines (Michael Leonard) be re-deployed or removed from his position.
- That other disciplinary action (if warranted) be initiated against staff of Mineral Resources Tasmania where certain breaches of the State Service Act 2000 may have occurred; or issues of procedural fairness or misconduct warrant disciplinary action;
- That the Integrity Commission and the Industry Ombudsman review the dealings between Mineral Resources Tasmania and Michael Roberts of Overseas Energy Holdings Limited (OEHL) due to the conflict of interest to see if any apparent collusive behaviour, collaboration or corruption exists and may have implicated the commercial outcome associated with the issuance of EL14/2009 to GSLM on 17th May 2010;

AND

- That the Integrity Commission and the Industry Ombudsman review MRT's actions, particularly discretionary comments (and merits) of the assessment criteria of GSLM's recent application for an Exploration Licence over an Area denoted as Part A; covering an approximate area of 4,405km² as applied for as part of Exploration Release Area (ERA) 791 process which closed in March 2011. GSLM have been provided with recent written advice from the DOM confirming that Terra Tasmania Resources Pty Ltd be given Application Status and priority over this area and that GSLM were unsuccessful with their application. The area in question is comprised within GSLM's former tenement SEL 13/98 and has been described within this document as being prospective for US\$1.1 B oil (and gas) potential resources and is currently under legal dispute between GSLM and the State of Tasmania in the Magistrate's Court.
- That the Integrity Commission and the Industry Ombudsman conduct an inquiry into Mineral Resources Tasmania as an Agency, and its dealings with Malcolm Bendall, Great South Land Minerals Limited and Empire Energy Corporation International to ensure that fairness and reasonableness has applied to all transactions, in contract and equity.

APPENDICES

Appendix 1: SEL13/98 Final Report (September 2009)

Empire Energy / Great South Land Minerals Limited

Appendix 2: Special Exploration Licence 13/98

Appendix 3: Application for Variation to EL14/2009 (30 July 2010)

Appendix 3: Attachment 1: Map EL 14/2009

Appendix 3: Attachment 2: Map SEL13/98 September 2004 (15,035km²)

Appendix 3: Attachment 3: Letter (23Dec98) MRT-GSLM Conditions SEL13/98

Appendix 3: Attachment 4: SEL13/98 Final Report

Appendix 3: Attachment 5: Letter (27May10) Grant & Issue of Exploration Licence 14/2009

Appendix 3: Attachment 6: Report (23Oct08) RPS Energy - Competent Persons Report

Appendix 3: Attachment 7: Letter (30Sep09) WHK - Accountant's Confirmation Letter

Appendix 3: Attachment 8: Media Release (28Apr10) 28-Day Objection Period Closes

Appendix 3: Attachment 9: Maps EL14/2009 Proposed Exploration Licence Area

Appendix 3: Attachment 10: Report - Proposed Exploration Program & Estimated Expenditure

Appendix 3: Attachment 11: Letter (5Mar10) MRT - EL14/2009 DOM recommendation to Minister

Appendix 3: Attachment 12: Letter (22Dec09) MRT - Requirements SELA13/2009 and ELA14/2009

Appendix 3: Attachment 13: Letter (15Jan09) Empire - Meeting MRT Dec09, withdrawal SELA13/2009

Appendix 3: Attachment 14: Letter (12Mar10) GSLM - Failure to deal with Application EL14/2009 (2)

Appendix 3: Attachment 15: Letter (15Feb10) MRT - ELA14/2009 Possible Licence Area in two parts

Appendix 3: Attachment 16: Email (22Feb10) GSLM - Request for meeting

Appendix 3: Attachment 17: Letter (26Feb10) MRT - No meeting requests received

Appendix 3: Attachment 18: Letter (12Mar10) GSLM - Failure to deal with application EL14/2009 (3)

Appendix 3: Attachment 19: Letter (12Mar10) GSLM - Failure to deal with application EL14/2009 (1)

Appendix 3: Attachment 20: Email (28Sep09) MRT - Changed expenditure requirements

Appendix 3: Attachment 21: Email (17Jul09) DIER - Judicial Review Act, Independent Accounting analysis

Appendix 3: Attachment 22: Minutes (21Dec09) GSLM - Meeting held with MRT on 21/12/2009 at 3pm

Appendix 3: Attachment 23: Report (31Dec09) Empire - Annual Report Form 10-K

Appendix 3: Attachment 24: Letter (02Jul04) Minister for IER - Renewal of SEL 13/1998 and conditions

Appendix 3: Attachment 25: Letter (15Jan10) Empire - Request for 'temporary withdrawal of SEL13/2009

Appendix 3: Attachment 26: Letter (25Jan10) MRT - Withdrawal of SEL13/2009 from register

Appendix 3: Attachment 27: Letter (17Mar10) Empire - Formal notification to reinstate SEL13/2009

Appendix 3: Attachment 28: Letter (23Mar10) MRT - SEL13/2009 withdrawn and no longer pending

Appendix 3: Attachment 29: Letter (05Mar10) MRT - Rental rates charged for EL14/2009, Inv.No.008099

Appendix 3: Attachment 30: Photo of original GEFCO SpeedStar 185k rig

Appendix 3: Attachment 31: Email (03Dec09) OEH Geologist query to Clive Burrett TasBasin Stratigraphy

Appendix 3: Attachment 32: Media Release (17May10) Minister grants petroleum licence EL14/2009

Appendix 3: Attachment 33: Letter (25Sep09) Terrex Seismic - commitment to support GSLM's programs

Complaint - Conduct of Agency Personnel (Mineral Resources Tasmania)

Appendix 3: Attachment 34: Email (22Feb10) MRT - Minister's decision, ref:13(1)&(2) and 18(1) MRD Act

Appendix 3: Attachment 35: Report (Mar10) GSLM/Empire - Due Diligence Report

Appendix 3: Attachment 36: Letter (21Apr10) MRT - Meeting regarding objections to ELA14/2009

Appendix 3: Attachment 37: Letter (22Apr10) Shields Heritage - Invalidity of objections to ELA14/2009

Appendix 4: Exploration Licence Application - 7,513km² (29 September 2009)

Appendix 4: Attachment 1 - Aims & Exploration Philosophy

Appendix 4: Attachment 2 - Proposed Exploration Program & Proposed Expenditure

Appendix 4: Attachment 3 - GSLM Seismic/Exploration Plan – Budget

Appendix 4: Attachment 4 - Summary of the Proposed Exploration Program

Appendix 5: Public Notice (17Mar10) Mercury Newspaper - Page 41

Appendix 6: Letter (05Jan10) MRT - Corrections to Minutes of Meeting held 21/12/2009

Appendix 7: Email (02Mar10) MRT - Advising approximate area of EL14/2009

Appendix 8: Letter (15Oct10) GSLM - Response to MRT email of 1 October 2010

Appendix 8: Attachment 1: Email (01Oct10) MRT - Meeting with Minister

Appendix 8: Attachment 2: Email (22Feb10) GSLM - Request for meeting

Appendix 8: Attachment 3: Letter (15Feb10) MRT - Possible licence in two parts

Appendix 8: Attachment 4: Email (22Feb10) MRT - Not appropriate to meet

Appendix 8: Attachment 5: Email (25Feb10) GSLM - Request to withdraw letter

Appendix 8: Attachment 6: Letter (25Feb10) GSLM - Formal letter withdrawal, request for meeting

Appendix 8: Attachment 7: Letter (26Feb10) MRT - Advise no requests for meeting have been received

Appendix 8: Attachment 8: Email (11Mar10) MRT - Precluded from answering questions

Appendix 8: Attachment 9: a) Letter (12Mar10) GSLM - Failure to deal with application EL14/2009 (3)

b) Letter (12Mar10) GSLM - Failure to deal with application EL14/2009 (2)

Appendix 8: Attachment 10: Letter (17Mar10) MRT - Failure to deal with application EL14/2009 (2)&(3)

Appendix 8: Attachment 11: Minutes (21Dec10) GSLM - Meeting with MRT at 3pm on 21 December 2009

Appendix 9: Minutes (2&3Jun10) GSLM meeting with Ramsay Barrett

Appendix 10: Letter (24Feb10) GSLM - EL Application 14/2009 7,513km²

Appendix 11: Letter (26Apr10) GSLM - Meeting Regarding Objection ELA14/2009

Appendix 12: Letter (22Jul10) Empire – Application re-submission under s.176, MRD Act

Appendix 13: Email (5Mar10) MRT – EL14/2009 Requirements and excluded areas

Appendix 14: Letter (30May11) MRT – Unsuccessful Exploration Licence Application

ANCILLARY INFORMATION

Empire Share Prices – Historical Summary of Market Capital Losses