



**Lion Selection Group**



**ASX RELEASE : LSX**

**5 February 2016**

## **One Asia Resources Update**

Lion Selection Group is pleased to announce it has received a One Asia release updating shareholders on the recent verdict on the KUD Management case adjudicated in the Marisa District Court. This case relates to the ongoing Pani ownership dispute dating back to December 2013 which resulted in a split in the management of the KUD, One Asia's local partner at Pani.

The reasons given for the judgment and potential implications are still being reviewed and considered, however One Asia feels that the judgment is mostly supportive of the management team of the KUD that continues to honour the legally binding agreement with One Asia.

This court case represents one step in advancing the Pani project with the KUD.

Attached is the One Asia shareholder update as received by Lion.

04 February 2016

**NEWS RELEASE**

**COURT DECISION RECEIVED ON KUD MANAGEMENT CASE**

As advised to shareholders in March 2015 a split in the management of One Asia's local partner in the Pani Project, the KUD Dharma Tani Marisa (KUD), was further complicated when two separate AGM's were held in early 2015 electing two competing management teams. Mr Idris Kadji's team continues to honour the legally binding arrangements with One Asia, whilst the opposing management team led by Mr. Uns Mbuinga does not.

In May 2015 Mr. Kadji and his management team (the Plaintiffs) sued Mr. Mbuinga and his management team (the Defendants) over the management of the KUD. On 20 January 2016, the Marisa District Court adjudicated the case. The reasons given for the judgement and potential implications are still being reviewed and considered, however we feel that it was mostly supportive for Mr. Idris Kadji.

Final Decision of the Marisa Court:

- 1 All the Defendants were deemed to have committed unlawful acts.
- 2 The Articles of the KUD resulting from the Defendants AGM are invalid.
- 3 The Articles of the KUD resulting from the EGM which elected Lisna Alamri as Head of the KUD are invalid. As a result, the Articles resulting from the AGM held which elected Mr. Kadji as Head of the KUD are also invalid as a chain reaction.
- 4 The Defendants AGM was invalid.
- 5 The Defendants Accountability Report presented at their AGM is invalid
- 6 All decisions and actions approved at the Defendants AGM are invalid including the appointment of the directors and commissioners (the Defendants) at that meeting.
- 7 The courts ordered Mr. Abdul Kadir Akib (former Head of the KUD and one of the Defendants) to repay 300m rupiah to the KUD in damages.
- 8 The courts ordered the Defendants (as members of the KUD) to join the Plaintiff in conducting a united AGM.
- 9 The Defendants were ordered to pay for the costs of the court.

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One Asia generally welcomes this verdict, noting that this decision is subject to appeal.

One Asia continues to vigorously defend its rights in relation to the Pani IUP, and this court case is one step in advancing the Pani project. Pending any appeal of the court decision, One Asia and Provident look forward to advancing the Pani project into production in co-operation with the KUD and the local community. One Asia continues to receive strong support from the members of the KUD and from the local community.

Any questions in relation to this shareholder letter should be addressed to Adrian Rollke at +62 21 2904 0727 or via email at [arollke@oneasiareources.com](mailto:arollke@oneasiareources.com) or to Craig Smyth at +61 3 9620 0718 or via email at [csmyth@lsg.com.au](mailto:csmyth@lsg.com.au).

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