

Chronology of the conspiracy by state gas board of directors to defraud dome petroleum investors of all investments and assets.

Irreversible proofs:

Directors (lead by Mr snelling and Mr baynton ) set out to defraud dome of all it's investments in the Reid's dome gas project.

The case will show that dome made an offer to the accused on the 24. Nov 2018 to resolve outstanding JV issues between the JV parties and that the accused saw the opportunity for the accused to deceive and take away all dome's assets by way of misleading and false statements by premeditated organised and well planned conspiracy by snelling baynton townner bellas and others.

The case will show that dome made an offer by email to set aside all issues and go forward into production with the accused on the 24 Nov 2018 and that the accused agreed to that offer on the 26 of Nov 2018 or and mislead dome to believe the offer was accepted knowing that on the 25 Nov 2018 the accused and associates in crime had set up to stage a fraud with intention to permanently deprive of dome of its interests in the Reid's dome gas field.

The anatomy of the conspiracy to defraud Over  
time:

On the 24 Nov 2018 Dome send out to state gas the offer to settle all JV issues and misunderstandings

The email stated,

*“We offer to sale (sic) 20% of DOME interest to State gas at 300K as per agreed 150K per each 10%.*

*We will contribute to the second well at 20% ( that is the second cashcall at 20% ) and any program that will follow.*

*We agree to get partners to come in for the next phase program after this second well is finished, to contribute to the development program in order to see the project to production.*

*State Gas will not be required to repay back the first cash call.*

*and finally we agree that*

*When we will get to production we would expect to have our own contract with the buyers to pay us directly.*

*Please let me know if this is acceptable*

*These solutions are very generous, and takes care of all the outstanding issues and will form a new*

*friendly relationship.*

*Dome will forget about the FREE curry (sic) issue, the 500MTS depth issue etc, will disappear and we have a new start.*

*Warmest regards,*

*Francesco*

*For Dr Denantes, Mr Goodrich  
Dome Group"*

**25 November 2018**

Having received Dome's offer (and unbeknown to Dome) a number of emails were exchanged between the accused and their fellow directors, which clearly show that Dome's offer was fully understood and subsequently accepted by the accused on the 26-11-2018. Ms Snelling's email states,

*"Dome at 20% will bring them below the level that they can be diluted out of the permit. However the power of attorney in the JOA does not apply to entitle us to sign a transfer to oust them and we would need to go to court to get an order requiring them to sign or appoint us as attorney to sign on their behalf. This will be a tougher ask than any court action we undertake to confirm use of the power of attorney in the agreement.....  
So, while accepting this offer (or something close) will resolve things in a relatively amicable manner, it may well mean we lose the opportunity to remove them from the permit at relatively low cost. However having made this offer we can be confident that they will not go easily and will look to use this offer to show how unreasonable we are being etc and our real objective is to get rid of them. Not sure that is the end of the world, but we will need to be ready to take lots of flak."*

In one of the emails Mr Baynton states in reference to the correspondence, *"Just*

*wasn't sure if we should be putting all of this in writing/e-mail though."*

Mr Baynton later says in email that day,

*“So, could you please re-work the attached agreement and transfer form that you prepared last time for the 10% offer to sell and we should talk during the day. On this basis, subject to talking to Tony, Rob and Ian during the day (that could be individually rather than simultaneously if they can’t make it), we think we should be preparing to accept Dome’s offer and have them sign the Transfer Form and Sale Agreement as soon as possible. I am going to seek a quick bit of advice from Derek on the PoA to check whether it would apply in the event of a Breach Default Event (such as not agreeing to sign the transfer documents in the event of a Deemed Sale of < minimum Interest.”*

### **26 November 2018**

The accused replied to dome and mislead Dome to believe that they had accepted Dome’s offer of the 24 November and that Dome would remain part of the joint venture. Ms Snelling wrote,

*“Dear Francesco,  
After some consideration State Gas has determined to accept your offer as set out below.*

*Attached are the documents to give effect to the transfer:*

- *Agreement;*
- *Application form MMOL-07 Register a transfer of shares between holders.*

*Please arrange for execution of the Agreement where indicated by 2 Directors or a Director and Secretary of Dome, and of the Application form by a Director, and then return the scanned documents to us. We will then arrange for execution by State Gas.*

*As you will see from the terms of the agreement, on execution of the agreement we will reissue the cash calls recalculated for Dome revised Participating Interest and with purchase price and financial assurance sums offset. The very much reduced balance of \$47,038.66 will be payable by Dome within 7 days from agreement execution.*

*I trust that concluding this transaction will enable us to resolve the difficulties which have been between us and enable us to move forward more positively.*

*You make a couple of notes about the future – as we have previously discussed, following conclusion of the current program once the results are available we will assess and determine how best to proceed. Seeking a partner to progress will definitely be part of the consideration, but it is unlikely to be the only option. We will of course discuss the options with Dome.*

*As to contracting arrangements for the sale of gas, the JOA provides for each party to take its production in kind and this enables Dome to deal as it wishes with its gas, subject to the practicalities of getting it to market.*

*We look forward to moving forward in partnership with Dome under these revised arrangements.*

*Regards*

*Lucy Snelling”.*

**27 November 2018**

Prior to Dome entering to the Sales Agreement at 06.08am Mr Baynton said in email, “*Note that he did not send back the signed Agreement and Transfer Form (unless he only sent it to Lucy). He’s saying that they’ll read the document(s).*”

*My concern is that Dome will sit on this until they know the outcome of Nyanda 4 and then make their decision to sign or not to sign.”*

Then Ms Snelling at 7.28am urged Dome to sign the Sale Agreement knowing of that the discovery of Nyanda 4 which would have to be announced publically.

*“Thank you Francesco for your email overnight.*

*We are very anxious to know where we stand with this transaction – as you will appreciate we are in a period of significant expenditure and need to be confident of where we stand and what our funding position is as we progress. For this reason we do need you to respond quickly by returning the signed agreement and form, both of which are very straightforward.*

*Accordingly I ask that you return the signed agreement and form overnight (our time, ie by 11pm today your time) so that we may start tomorrow knowing where we stand.*

*Otherwise we will assume that you do not wish to proceed with the transaction and will be paying the overdue Cash Call #2 and the almost due Cash Call #3 in the next few days.*

*Looking forward to receiving the documents,*

*Regards*

*Lucy Snelling*

*Chief Executive Officer”*

At 8:26am an email was sent by Mr Crowley to Ms Snelling which stated:

*“It was encouraging to get the shoes [sic., shows] in the cored interval, but they don’t directly translate to a discovery. So if Greg [Baynton] is wanting to put out a PR, please play it down until we have further information. I’m off for a quick sleep then back to the rig.”;*

At 9.56pm (Brisbane time) an email was sent by William Alexander Fucilla of Dome to the accused with the attached signed Sale Agreement.

## **28 November 2018**

An email was received by Dome from Mr Baynton (one of the accused) with the attached countersigned Sale Agreement at 00.30am.

The accused made an ASX release that they now have 80%, without disclosing the terms of the downgrade. The release states;

*"The increase in the Company's Participating Interest to 80% has arisen through the agreed acquisition by State Gas Limited of an additional 20% interest in PL 231 and the Reid's Dome Joint Venture by way of funds offset in partial satisfaction of Cash Calls owed by State Gas' partner under the terms of the Joint Operating Agreement."*

## **29 November 2018**

Dome received an email from Ms Snelling (the accused), proposing to extend the drilling of Nyanda 4 by 200m, knowing that they intended to eject Dome from the Joint Venture. The email states,

*"I email to advise that we are proposing to extend drilling of the Nyanda-4 well by 200m to a TD of 1200m. We have had indications from the rig that drilling is progressing well and that they are getting multiple gas shows as they proceed....."*

*"The implications of extending TD is an extra 10-12 hours drilling, plus additional time logging and testing and also in abandonment. Additional costs are anticipated to be between \$150,000-\$200,000."*

Dome received a further request from State Gas to sign the Later Development Plan to submit to the DNRME, the email stated,

*"Dear Francesco, Dr Denantes, and Mr Goodrich,*

*I think you are aware that we are required to submit a request for a change to the later development plan for the permit by 14 December at the latest.*

*We have drafted the application, which I am now forwarding for your review, and if you are comfortable, signing on behalf of Dome.*

*In the application we need to argue the case that we are working hard to progress the development of the permit, have a realistic program, and we are the best possible option for the fastest development of the permit to get gas to market as quickly as possible. Hopefully the attached makes the case.*

*Very happy to hear your views, but we are under some pressure to get this in quickly. We have been a bit distracted by drilling etc and have struggled to give this the attention it requires so this isnt as early as I would have hoped.*

*Regards Lucy*

*Snelling*

*Chief Executive Officer”*

### **30 November 2018**

An ASX release made by the plaintiff suspending trading on the ASX pending an announcement of the Nyanda 4 drilling.

### **4 December 2018**

Dome receives an email from Ms Snelling with a purported deemed sale notice, meaning the conspiracy to defraud had been executed in full in order for Dome to loss of its asset and investment.

### **5 December 2018**

An ASX release was made by the accused regarding the results of Nyanda 4.

The release states,

*"State Gas Limited Chairman, Mr Tony Bellas, said that the outcomes of the Nyanda-4 well have far exceeded the Company's expectations and confirm a significant coal seam gas project and a "free gas" presence within the Reid's Dome structure in PL 231.*

*"While we await further analytical results, the initial findings from Nyanda-4 indicate that this is a great outcome for the shareholders of State Gas, the State of Queensland and the Australian east-coast gas market."*

Following Dome vehemently rejecting and contesting the fraudulently deemed sale, an out of office message is received by Dome from Ms Snelling (the accused). The email states that she would be away for a week with *"poor and intermittent access to emails or phone"*. This was done in order for the accused not to value the asset in 7 days and abscond the scene in order to permanently deprive Dome of all its asset and investment.

**\*See WAF 1 affidavit dated 05-06-2019 for all evidence of exhibits to be submitted at trial.**

**It was later discovered that on the 25 of Nov 2018 , the day after the offer was made that the accused got together with legal advisors ( a guy called Mr Derek ) , to set a up the**

**fraud, and that the acceptance of the offer by state gas dated the 26 Nov 2018 was in fact a fraud as it is clear from the emails exchanged by the accused that domes was to be defrauded soon after obtaining all signatures from Dome.**

**The email of the 25 Nov by snelling and baynton to the criminal associated partners and fellow directors shown the true premeditated intention to defraud.**

**We read:**

**25 November 2018 email by ms snelling**

"Having received Dome's offer (and unbeknown to Dome) a number of emails were exchanged between the accused and their fellow directors, which clearly show that Dome's offer was fully understood and subsequently accepted by the accused on the 26-11-2018. Ms Snelling's email states,

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The case will show that the accused on the



**5 February 2019**

appointed Allens Solicitors to intimidate Dome to sign over the asset, the accused wrote to Dome and even set out to obtain further cash from Dome after attempting to steal every Invested cent.

State gas had set the fraud on the 25 Nov knowing that dome was to be removed on the 5 Dec 2018 ( two weeks later ) , and not satisfied of attempting to steal everything, on the 27 Nov 2018 , the accused set out to lure Dome to agree to drill to 1200 MTs as it would be best for the JV investors and only to steal more money from Dome !!

The case will show that on Feb 2019 the accused took more cash from Dome as s result to the fraud set by the accused on the 25 of Nov.

We read:

*“Dear William,*

*As is indicated in the call, Cash Call #4 relates to:*

- \* costs, in addition to those previously called, incurred in drilling Nyanda-4 and undertaking civil works for the well; and*
- \* general and administrative costs not previously called for the period to end January 2019.*

*As a Participant in the Reid’s Dome Joint Venture up to end January Dome is liable for these costs (and also entitled to receive the information forwarded with the Cash Call in my email of 30.1.19) irrespective of its subsequent default in executing and delivering the transfer form by 3 February 2019. Accordingly, Dome is required to pay Cash Call #4 as called.*

*State Gas reserves all of its rights in relation to Dome’s*

*default. Regards*

*Lucy Snelling*

***Chief Executive Officer”***

\*(See attachments 2, 3 & 4).

In May 2019 just the mediation in Brisbane, Dome’s directors discovered that in signing the document of the 27 Nov 2018, Dome had been defrauded all the way. During the mediation of the theft when the mediator and the directors of state gas were asked to explain the meaning of the email of the 25 November, they rejected to explain them knowing that they were fraudulent. 5% was offered by State Gas to Dome Petroleum for keeping quiet. The mediator after acknowledging the fraud by state gas, stated that better take the 5%, that it was



a lot of money otherwise Dome would lose everything.

## BUSINESS DISPUTES

# Misrepresentation in Contract Law: negligent, innocent and fraudulent statements (and the remedies)

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misrepresentation: negligent & innocent

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## What is Misrepresentation in Contract Law?

Before a contract is formed, statements can be made by one party to induce the other to enter into the contract.

Statements can be made during sales pitches, casual conversations and formal meetings. It doesn't matter when, where or how they're made.

And they be made in contracts themselves. They can begin with the words, "The [party name] represents: ...".

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There are legal consequences when representations or statements are made to induce a business to enter a contract, and they're false.

The misrepresentation misleads a party into signing the contract, when they otherwise might not have.

They give rise to legal claims for rescission of the contract and damages.

## Elements of Misrepresentation

# Elements of Misrepresentation

The law of misrepresentation operates when:

- a pre-contractual statement of fact is made
- to a party intending to enter a contract, and
- the statement is relied on to enter the contract, and
- the statement is false.

The misrepresentation doesn't even need to be made by the person benefiting from it.

Representations become misrepresentations when they're false.

There are 3 types of misrepresentation:

- innocent misrepresentation
- negligent misrepresentation, and
- fraudulent misrepresentation

The meaning and effect of a statement or conduct is interpreted by the circumstances in which the misrepresentation was made. Those circumstances will include the course of



- negligent misrepresentation, and
- fraudulent misrepresentation

The meaning and effect of a statement or conduct is interpreted by the circumstances in which the misrepresentation was made. Those circumstances will include the course of the negotiations and any representations made before the contract was finalised.

If a person making a representation realises that it is false, they are under a legal duty to correct the mistake or misunderstanding, and inform their counterpart. They can also modify or withdraw a prior representation at any time before it is relied on.

Representations can be found in advertisements, sales literature, material published on a website stating capabilities of software, products or services.

If the statement isn't correct, it may be an actionable misrepresentation.

## Forms of Misrepresentation

The misrepresentation will usually be in

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## Nature of the Representation

Not all precontractual representations have legal consequence if they are false.

Words which are used might include **sales talk** (aka 'puffery') or **laudatory words** in respect of the goods or services such as:

- "Best pies in the UK" or
- "Finest after-sales service this side of Newcastle".

These sorts of statements are vague, not specific and lack any specific contractual meaning and not actionable in law.

But they may be **statements of fact**, which are **able to be verified**. They are actionable, because they to induce the other party to enter into the agreement.

## Type of Statement

### Statements of Fact

The representation must be a statement of fact, which relates to an existing or past event.

### Statements of Future Intentions

Statements of future conduct or intention



# Forms of Misrepresentation

The misrepresentation will usually be in words, written or spoken. But other forms of communication will be sufficient to amount to a misrepresentation.

In precontractual discussions, statements might be:

- made verbally
- communicated with gestures
- in the terms of draft contracts, which end up being signed, or
- statements that have no legal effect or consequence.

**In written contracts**, the more important statements made prior to the contract are - or should be - written into the contract. These will be the warranties and conditions.

**In agreements made verbally:**

- precontractual statements will be classified as:
  - a condition of the contract, a warranty or an innominate terms and form part of the contract, or





conditions.

### **In agreements made verbally:**

- precontractual statements will be classified as:
  - a condition of the contract, a warranty or an innominate terms and form part of the contract, or
  - a representation, and not form part of the contract
- whether it is a terms of the contract or a representation is decided by reference to the relative importance of the term to the parties in the context of the contract.

**Conduct** of can also amount to a misrepresentation. For example, production of promotional material can amount to a misrepresentation by conduct.

A series of misrepresentations may have **cumulative effect**. The effect of a series of continuing representations made throughout months of negotiations might lead to an overwhelming misleading impression of a state of affairs, and make it an actionable misrepresentation.

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### Statements of Future Intentions

Statements of future conduct or intention can amount to statements of fact, because they frequently contain **implied representations** with regard to **the present state of affairs**, or the knowledge of the person making the representation.

So where the person never had a intention he claims to have had, it will a misrepresentation as an exception to the rule.

Here's an example:

Statements were made by company directors that money to be raised to buy assets for a business to improve its profitability.

In fact, the money invested was used to pay the company's debts.