

The statement from the company said that the funder withdrew from talks, although it has previously signed a non-binding letter of intent to fund the litigation process. However, UK based Ascent Resources is still assessing the merits of litigation compared to developing the Petisovci gas project in Slovenia collaboratively with the Government and its partners. Last June, Ascent said that it plans to take legal action against Slovenia after it was ordered to get a separate permit for hydraulic fracturing. This statement comes after the Environment Ministry upheld a decision of the Environment Agency (ARSO) on the controversial gas extraction project in Petisovci. The Ministry agreed that an environmental impact assessment and a separate environmental permit were necessary because the location of the gas wells was close to water sources and because underground waters and agricultural land in the area do not have very good ability to regenerate. According to the company, the decision mistakenly concluded that the project fell within a conservation area and misapplied EU case law in relation to mitigation measures. Besides challenging the decision at the Administrative Court, Ascent plans to submit a claim for damages against the state for breach of EU law including for the unreasonably long time it took for the decision to be reached. The company will seek damages for loss of future income from the project which would have been expected to have been a multiple of the historic investment of some 50 million euros. It also plans to file an investment treaty arbitration claim under the Energy Charter Treaty. Ascent Resources has entered into a Joint Operating Agreement (JOA) with the Slovenian company Geoenergo under which it manages operations in the Petisovci oil and gas field. In August 2016, Geoenergo announced that Croatian oil company INA will purchase natural gas from two wells in northeastern Slovenia and transport it to its central gas station in Molve for further processing and cleaning.