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STATE OF WYOMING     )  
                                      ) ss  
COUNTY OF ALBANY    )

IN THE DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
Civil Action No. 34527

GAS SENSING TECHNOLOGY CORP., a  
Wyoming company,

Plaintiff,

vs.

SIMON ASHTON, KINABALU AUSTRALIA  
PTY LTD, as Trustee for KINABALU  
AUSTRALIA TRUST, PROX PTY LTD,

GRAEME MICHAEL LINKLATER,  
LINKLATER FAMILY TRUST,

QUENTIN MORGAN,

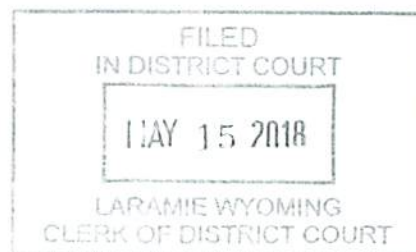
JOHN DUGALD MACTAGGART,  
BRISBANE ANGELS GROUP LTD, JONTRA  
HOLDINGS PTY LTD, ASSOCIATED  
CONSTRUCTION EQUIPMENT PTY LTD,

EWAN MELDRUM,

and JOHN DOES 1-20,

Defendants.

[Jury Trial Demanded]



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**COMPLAINT**

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**I. NATURE OF THE CIVIL ACTION, INTRODUCTION**

This is a civil action brought by Plaintiff Gas Sensing Technology Corp. (“GSTC”), on behalf of itself and its similarly injured shareholders, against various self-interested defendants consisting of shareholders, former directors, former officers, key employees as well as shareholders providing private venture debt who engaged in a collusive effort to improperly take over ownership and control of GSTC’s Australia subsidiary WellDog Pty Ltd (“WD Pty”) as well as to misappropriate GSTC’s confidential and proprietary intellectual property and trade secrets. The persons engaged in this combined effort are collectively referred to as the “Take Over Group.” Their joint effort is described as the “Take Over Action” or “Take Over Activity.” The Take Over Group includes persons who violated fiduciary duties or caused others to violate

their fiduciaries owed to GSTC and WD Pty. The Take Over Action involves a plan and pattern of conduct by Defendants to misappropriate GSTC's corporate opportunities, divert capital away from GSTC, impede GSTC's ability to raise new capital, destroy share value and engage in hostile efforts to obtain a preferential treatment in favor of members of the Take Over Group. During the Take Over Activities, members of the Take Over Group violated laws and statutory duties. These improper Take Over Actions are having and will continue to have detrimental effects on GSTC and its shareholders who are not participants in this plan. The Complaint seeks declaratory and injunctive relief to protect GSTC and its innocent shareholders' value as well as monetary damages for losses suffered.

## **II. PARTIES**

### **a. Plaintiffs**

1. GSTC is a Wyoming corporation with its principal place of business and corporate offices located at 1525 Industry Drive, Laramie, Albany County, WY USA, 82070.

2. WellDog Pty Ltd was an Australian company and wholly owned subsidiary of GSTC with its principal place of business in Brisbane, in the State of Queensland, Australia ("WD Pty").

3. This is a direct action brought by GSTC on behalf of GSTC and its innocent shareholders, for the economic damages and losses caused by Defendants' wrongful conduct.

### **b. Defendants**

4. Defendant Simon Ashton is a resident of Perth, Western Australia, with his residence at 8 Mount View Terrace, Mount Pleasant, in the State of Western Australia, AU, 6153.

5. From June 2, 2011 through October 10, 2016, Defendant Ashton was a member of the Board of Directors of GSTC and regularly attended Board of Directors meetings in Wyoming.

6. Defendant Kinabalu Australia Trust and its Trustee Kinabalu Australia Pty Ltd (collectively "Kinabalu") are Australian entities having the same address of Defendant Ashton at 8 Mount View Terrace, Mount Pleasant, a suburb of Perth, in the State of Western Australia, AU, 6153.

7. Pursuant to a Subscription Agreement, Defendant Kinabalu became a shareholder

of GSTC in 2011, and currently holds approximately 14% of GSTC's issued and outstanding shares.

8. The Subscription Agreement signed by Defendant Ashton on behalf of Kinabalu provides that it is to be governed by the laws of the State of Wyoming as applied to residents of the state executing contracts wholly to be performed in this state.

9. ProX Pty Ltd ("ProX") is an Australian entity with the same address of Defendant Ashton at 8 Mount View Terrace, Mount Pleasant, a suburb of Perth, in the State of Western Australia, AU, 6153.

10. Defendant Kinabalu and ProX are the alter ego of, and are controlled by, Defendant Ashton. They are all hereinafter collectively referred to as the "Ashton Controlled Entities," which term includes Defendant Ashton.

11. The Ashton Controlled Entities are participants in the Take Over Action.

12. Defendant Graeme Michael Linklater is currently a resident of Brisbane, in the State of Queensland, with his home at 31 Norwich Street, Wavell Heights, a suburb of the city of Brisbane, in the State of Queensland, AU 4012.

13. From August of 2012 through August of 2015, Defendant Linklater was the Chief Financial Officer and Corporate Secretary for GSTC

14. From August of 2012 through September of 2016, Defendant Linklater was the Chief Financial Officer and Corporate Secretary for WD Pty.

15. Defendant Linklater served as GSTC's Wyoming Registered Agent while serving and performing his duties as Chief Financial Officer in Wyoming.

16. In August of 2015, Defendant Linklater was removed as CFO of GSTC.

17. In February of 2016, Defendant Linklater was removed as Corporate Secretary for GSTC.

18. From May 23, 2013 until September 24, 2016, Defendant Linklater was a member of the Board of Directors of WD Pty; on September 24, 2016, Defendant Linklater was removed as Director and Corporate Secretary of WD Pty.

19. Defendant Linklater Property Family Trust, also known as the "Linklater Family Trust," does business at 31 Norwich Street, Wavell Heights, a suburb of Brisbane in the state of Queensland, AU 4012. Defendant Linklater is the Trustee of the Linklater Property Family

Trust.

20. Defendant Linklater Family Trust provided private venture debt to GSTC, under instruments which expressly provide that (1) they were accepted in the State of Wyoming; (2) if there is a lawsuit, they agree to submit to the jurisdiction of the courts of Albany County, the State of Wyoming, United States, and (3) they are to be governed by and construed in accordance with the laws of the State of Wyoming except where preempted by or inconsistent with Federal law in which case Federal law will govern.

21. Defendants Linklater Family Trust is controlled by, and is the alter ego of, Defendant Linklater, all with their same address of 31 Norwich Street, Wavell Heights, a suburb of Brisbane in the state of Queensland, AU 4012. They are all collectively referred to as the "Linklater Controlled Entities," which term includes Defendant Linklater.

22. Under Australian law, the trust is the equivalent to an inter vivos revocable self-directed trust.

23. The trust is a personal investment vehicle owned, controlled and operated by Defendant Linklater.

24. The Linklater Controlled Entities are participants in the Take Over Action. Linklater Controlled Entities have filed a lawsuit to foreclose on its venture capital debt provided to GSTC in the Second Judicial District Court, Albany County, Wyoming, Civil Action No. 34464.

25. Defendant Quentin Morgan is currently a resident of Australia with his residence at Unit 7, Creek Road, Cannon Hill, QLD, AU 4172.

26. Defendant Morgan was first employed by WD Pty as its Technology Manager beginning in July of 2011.

27. Shortly after July of 2011, Defendant Morgan was employed by GSTC as its Chief Technology Officer.

28. Defendant Morgan was an officer of GSTC through November of 2016 and spent much of his time in Wyoming performing his duties for GSTC.

29. Defendant Morgan executed an employment agreement with WD Pty on July 8, 2011. The employment agreement expressly provides that Morgan would be working for the team of WD Pty and its parent and affiliate GSTC.

30. Defendant Morgan is a participant in the Take Over Action.

31. On or about September 23, 2016, Defendant Morgan was suspended by GSTC on suspicion of serious misconduct relating to matters relevant to these proceedings.

32. Defendant John Dugald Mactaggart is a resident of Brisbane, Queensland and resides at 30 Beeston Street, Teneriffe, in the State of Queensland, AU, 4012.

33. From April 2012 until May 2013, Defendant Mactaggart served as a member of the Board of Directors for WD Pty.

34. Upon information and belief, Defendant Linklater, Defendant Morgan, and Defendant Meldum are agents of Defendant Mactaggart and Defendant Ashton and acting at the direction of Defendant Mactaggart and/or Defendant Ashton throughout the events alleged herein.

35. Defendant Jontra Holdings Pty Ltd ("Jontra") is an Australia company with the mailing addresses of PO Box 1908, New Farm, QLD, AU 4005.

36. Defendant Jontra provided private venture debt to WD Pty which was later assigned to and assumed by GSTC under instruments which expressly provide that (1) they were accepted in the State of Wyoming; (2) if there is a lawsuit, they agree to submit to the jurisdiction of the courts of Albany County, the State of Wyoming, United States, and (3) they are to be governed by and construed in accordance with the laws of the State of Wyoming except where preempted by or inconsistent with Federal law in which case Federal law will govern.

37. Defendant Associated Construction Equipment Pty. Ltd. ("ACE") is an Australia company with the mailing addresses of PO Box 1908, New Farm, QLD, AU 4005.

38. Defendant ACE provided private venture debt to WD Pty which was later assigned to and assumed by GSTC under instruments which expressly provide that (1) they were accepted in the State of Wyoming; (2) if there is a lawsuit, they agree to submit to the jurisdiction of the courts of Albany County, the State of Wyoming, United States, and (3) they are to be governed by and construed in accordance with the laws of the State of Wyoming except where preempted by or inconsistent with Federal law in which case Federal law will govern.

39. Defendants Jontra and ACE are controlled by John Mactaggart, and are the alter egos of Defendant Mactaggart, and all actions and communications by these two companies are orchestrated by him. Defendants Jontra and ACE are collectively hereinafter referred to as the

“Mactaggart Controlled Entities,” which term includes Defendant Mactaggart.

40. Defendants Jontra and ACE share the same mailing address of PO Box 1908, New Farm, QLD, AU 4005.

41. Virtually all communication Plaintiffs had relating to Jontra and Ace occurred by and through Defendant Mactaggart.

42. Communication Plaintiffs had relating to Jontra and Ace was sent to and received from Defendant Mactaggart.

43. The Mactaggart Controlled Entities are participants in the Take Over Action.

44. Defendant Brisbane Angels Group Ltd (“Brisbane Angels”) is a venture capital organization located at Level 9 110 Eagle St, Brisbane City, QLD, AU 4000, which is a shareholder of, and investor in, GSTC.

45. Defendant Brisbane Angels and Defendant Mactaggart shared the same residential address of 30 Beeston Street, Newstead, QLD, AU 4006.

46. Communication Plaintiff had relating to Brisbane Angels occurred by and through Defendant Mactaggart.

47. Communication Plaintiff had relating Brisbane Angels was sent to and received from Defendant Mactaggart.

48. Defendant Brisbane Angels provided private equity debt and capital to GSTC pursuant to instruments that expressly provide they are to be governed by the laws of the State of Wyoming.

49. Defendant Mactaggart and Defendant Linklater are managing directors and members of Defendant Brisbane Angels Ltd, an Australian entity.

50. Instruments of debt accepted by Defendant Brisbane Angels expressly provides that (1) they were accepted in the State of Wyoming; (2) if there is a lawsuit, they agree to submit to the jurisdiction of the courts of Albany County, the State of Wyoming, United States, and (3) they are to be governed by and construed in accordance with the laws of the State of Wyoming except where preempted by or inconsistent with Federal law in which case Federal law will govern.

51. Defendant Mactaggart represented to Plaintiff that he had sole authority to approve the debt instruments by Defendant ACE, Defendant Jontra and Defendant Brisbane

Angels to GSTC.

52. Defendant Mactaggart represented to Plaintiff that the source of the private equity debt and capital being loaned to WD Pty and later assigned to and assumed by GSTC was Defendant Mactaggart's personal funds that he was going to funnel through contributions to Defendant ACE, Defendant Jontra and Defendant Brisbane Angels.

53. Upon information and belief, in approximately September of 2016, during the Take Over Activities, Defendant Mactaggart formed Brisbane Angel Nominees Pty Ltd. ("Brisbane Angels Nominees"), an Australian registered entity to hold proxies for Brisbane Angels', Ashton Controlled Entities', and other minority shareholders' votes in GSTC.

54. During the Take Over Activities, Defendant Mactaggart, through Brisbane Angel Nominees, held all votes for Ashton Controlled Entities', effectively controlling Ashton Controlled Entities interests in GSTC.

55. Brisbane Angels proxy giving Defendant Mactaggart voting control over interests in GSTC was signed by Defendant Linklater in his capacity as director for Brisbane Angels.

56. The Mactaggart Controlled Entities commingled debt and repayment of interest with Brisbane Angels.

57. The Brisbane Angels are participants in the Take Over Action.

58. Defendant Ewan Meldrum is a resident of Australia, living at 149 Marina Boulevard, Banksia Beach, QLD, AU 4507.

59. Prior to 2015, Defendant Meldrum invested money with the intention of becoming a shareholder in GSTC.

60. This investment created a conflict of interest with his then current employer and GSTC competitor, Baker Hughes. Not wanting to disclose the conflict of interest, Defendant Meldrum converted his equity position in GSTC to a debt instrument.

61. Defendant Meldrum was employed by WD Pty as its Regional Manager for Asia Pacific from April 7, 2015 through early January, 2017.

62. On or about September 23, 2016, Defendant Meldrum was suspended by WD Pty on suspicion of serious misconduct relating to matters relevant to these proceedings.

63. Defendant Meldrum executed an employment agreement with WD Pty on February 25, 2015.

64. Defendant Meldrum executed a non-competition deed with WD Pty on February 25, 2105.

65. Defendant Meldrum was a participant in the Take Over Action

66. Defendant Meldrum has filed a lawsuit to foreclose his debt to GSTC in the Second Judicial District Court, Albany County, Wyoming, Civil Action No. 34464.

### **III. JURISDICTION**

67. This action is of a civil nature where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

68. This Court has jurisdiction over this action and the Parties because:

a. Plaintiff GSTC is a Wyoming corporation that maintains its principal place of business and corporate headquarters Albany County, State of Wyoming;

b. Defendants were either shareholders, officers or employees of GSTC with personal contacts in Albany County, Wyoming, or owed duties of care to GSTC because of their relationships with GSTC's subsidiary WD Pty;

c. All Defendants either worked in the United States or directed their activities toward GSTC in the United States;

d. Significant contractual agreements including shareholder and officer agreements, loan documents and/or employee agreements to which Defendants were parties to, which are the subject of this dispute, where wither executed in or to be performed in the State of Wyoming;

e. Defendants breach of duties and obligations either took place in or were directed to activities in Wyoming; and

f. Activities of the Take Over Group either took place in Albany County, Wyoming or were directed towards GSTC's operations in Albany County, Wyoming and the United States.

69. Venue is proper in this Court because:

a. 1) Plaintiff GSTC's principal place of business is located in Albany County, Wyoming;

b. Key contractual agreements that are the subject of this dispute were executed in Albany County, Wyoming; and



c. Key documents where are the subject of this matter sate that the parties consent to jurisdiction of the court of Albany County, Wyoming.

#### IV. **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

(a) **Background facts-GSTC'S entry into Australian market through WD Pty.**

70. Dr. John Pope is an original founder of GSTC, residing in Albany County, Wyoming.

71. Dr. Pope is the CEO of GSTC.

72. Dr. John Pope is Chairman of Board of Directors for GSTC.

73. GSTC is an energy-focused technical services company that has developed its own patented reservoir Raman chemical sensing systems to provide commercial reservoir analysis services for coal, gas, alternative and conventional resources (the "Raman Technology").

74. The background Raman Technology was co-invented by Dr. Pope while engaged in post-doctoral research. During that time, he was completing unrelated research with an affiliate of the University of Wyoming, at Laramie, Albany County, Wyoming.

75. GSTC conducts its Raman Technology related business under the name of WD Pty throughout the world.

76. GSTC formed WD Pty in Australia as its wholly owned subsidiary on December 3, 2010, intending to expand its worldwide energy services business throughout Australia.

77. GSTC and its employees provided direct services to WD Pty under a management relationship.

78. GSTC provided technical as well as management services to WD Pty performed by its Wyoming team of scientists and professionals.

79. GSTC has developed extensive expertise in the field of coal bed methane development in Wyoming and was able to successfully apply its expertise and technology in Australia through WD Pty.

(b) **GSTC secures long term, high capacity, paired private venture partners in Australia with expertise in oil and gas to expand business.**

80. Consistent with industry customs and practices, GSTC sought out private venture equity and private venture debt from experts in the energy industry, seeking long term partners

with expertise to help grow WD Pty.

81. GSTC offered private venture equity and debt to Defendant Ashton and his Ashton Controlled Entities, Linklater Controlled Defendants, Mactaggart Controlled Defendants and Brisbane Angels to expand its WD Pty business in Australia.

82. GSTC compensated Defendant Ashton and his Ashton Controlled Entities, Linklater Controlled Defendants, Mactaggart Controlled Defendants and Brisbane Angels with below-market-value equity options and warrants to incentivize them to invest in WD Pty over a long period of time.

83. The Ashton Controlled Entities provided private venture equity through Kinabalu and provided private venture debt through ProX,

84. Ashton Controlled Entity ProX, was highly compensated for providing private venture debt to WD Pty through high interest rates and below-market-value non-statutory equity stock options and warrants in GSTC, which were issued to Kinabalu.

85. On June 1, 2011, Ashton Controlled Entity Kinabalu executed a Subscription Agreement for the acquisition of GSTC equity shares.

86. On June 1, 2011, Ashton Controlled Entity Kinabalu invested private venture equity in GSTC by purchasing shares of stock in GSTC.

87. On June 1, 2011, Ashton Controlled Entity executed a Voting Rights Agreement with another shareholder granting to Kinabalu the right to designate a director on GSTC's Board of Directors.

88. Defendant Ashton was nominated by Kinabalu to the GSTC Board of Directors.

89. It is the custom and practice in the private venture debt industry to issue below-market-value stock options and warrants to key personnel and private venture debt investors providing loans and funds, to encourage long-term participation in the success of the company.

90. The consideration for issuing below-market-value equity stock options and warrants to key employees and private venture debt holders which dilutes shareholder equity is the promise for special services and concessions designed to grow shareholder value over time for all shareholders.

91. A principal part of the bargain and benefit to GSTC and its diluted shareholders is that new investors providing private venture equity and private venture debt will engage in a

long-term partnership leading to overall growth benefitting all shareholders.

92. Defendant Ashton Controlled Entities demonstrated their understanding and acceptance of this agreement and principal when on May 11, 2016, ProX certified, by letter, that ProX would “only call upon the amount owed by WellDog Pty Ltd under the terms and conditions of the agreements when WellDog Pty Ltd has the capacity to pay.” And that ProX “further undertake[s] to provide continued financial support to WellDog Pty Ltd should a need arise to fund their ongoing operations for the next twelve months.” Ashton Controlled Entity ProX provided this undertaking on an annual basis to support the Company’s “going concern” assumption by the Company’s independent auditors.

93. Plaintiff relied on that promise and commitment from the Ashton Controlled Entities to their detriment, which became a basis of their course of dealing, bargain and long-term agreement.

94. Between 2011 and 2014, Ashton Controlled ProX provided total venture debt to WD Pty in the amount of approximately \$4,000,000 USD.

95. The ProX debt was advanced to WD Pty for the purpose of purchasing certain equipment and for operating and other general corporate purposes.

96. The ProX debt was originally provided as non-recourse and secured only by a fixed charge granted in July 2014 over specifically identified specialty equipment and limited inventory of WD Pty.

97. Under the relevant instruments ProX had no recourse to any other assets of WD Pty or GSTC.

98. The maximum debt liability under the ProX debt agreements was US\$4,000,000.

99. Between 2011 and 2016, Ashton Controlled Entity ProX repeatedly and regularly directed the issuance of warrants for GSTC equity to Ashton Controlled Entity Kinabalu as payment in addition to interest payments to service its debt.

100. Defendant Linklater is the Trustee of Defendant Linklater Property Family Trust which provided private equity capital to GSTC by purchasing shares in the Company.

101. The Linklater Controlled Entities provided private venture equity and private venture debt to GSTC.

102. Defendant Linklater Controlled Entities were highly compensated for providing

private venture debt to GSTC through high interest rates and below-market-value non-statutory equity stock options and warrants in GSTC.

103. Defendant Linklater was compensated by the issuance of non-statutory stock options for his employment in GSTC.

104. Defendant Brisbane Angels provided private venture equity and private venture debt to GSTC.

105. Defendant Brisbane Angels were highly compensated for providing private venture debt to GSTC through high interest rates and below-market-value non-statutory equity warrants in GSTC.

106. Brisbane Angels directed the appointment of its Director John Mactaggart to become its representative and a Director of the Board of Directors for WD Pty.

(c) **Defendants' private venture investors recommend for employment persons with whom they have longstanding business relationships for employment by GSTC and WellDog.**

107. At the request of Defendant Ashton, Quentin Morgan was hired in 2011 as GSTC's Chief Technology Officer.

108. Defendant Morgan remained in that role until February 14, 2017.

109. Defendant Morgan is called "Q" by his friends and the Take Over Group.

110. Defendant Morgan has become the agent of the Ashton Controlled Entities.

111. Defendant Morgan has used confidential information acquired while employed by WD Pty and as an officer of GSTC to direct and assist the Take Over Group in its Take Over Activities.

112. The Take Over Group solicited Defendant Morgan's assistance and aide while he was an employee and officer of GSTC, causing Defendant Morgan to violate his duty of loyalty to GSTC.

113. Defendant Linklater is a member and director of Defendant Brisbane Angels Group Ltd and was introduced to John Pope by Defendant John Dugald Mactaggart who is a director of the Brisbane Angels.

114. Defendant Mactaggart encouraged and directed the hiring of Defendant Linklater as GSTC's chief financial officer.

115. Defendant Linklater held the position of CFO of WD Pty until April of 2016.

116. On or about April 22, 2016, , Linklater left WD Pty to re-join a company of which Defendant Mactaggart is chairman and shareholder.

117. Defendant Linklater used confidential information acquired while employed by WD Pty and an officer of GSTC to direct and assist the Take Over Group in its Take Over Activities.

118. The Take Over Group solicited and directed Defendant Linklater's assistance and aide while he was employee and officer of GSTC and WD Pty, causing Defendant Linklater to violate his duty of loyalty to GSTC.

119. The Take Over Group continues to use improperly obtained confidential and sensitive information of GSTC and WD Pty to the detriment of GSTC and WD Pty.

(d) **GSTC's plan succeeds, with large growth in Australia, attracting new investor interest in its long term growth potential.**

120. GSTC successfully grew WD Pty to become a major oil and gas service provider in Australia, generating in Australian Dollars approximately 35 million per year in revenue.

121. GSTC's success attracted the attention of an international oil and gas exploration and production company which approached GSTC in December of 2012 about developing a new technology for shale gas exploration.

122. In part to help finance the research and development, the international exploration and production company's venture capital subsidiary ("INVESTOR") invested capital in GSTC in exchange for private venture equity with the expectation for further investment upon a successful beta trial of the technology.

123. In May of 2015, GSTC completed a successful beta trial of its new Shale Sweetspotter technology.

124. Having satisfied the INVESTOR's challenge, Dr. Pope immediately began negotiating with INVESTOR on behalf of GSTC to secure an additional round of private venture equity investment.

125. INVESTOR's representatives told Dr. Pope that INVESTOR intended to make an additional private venture equity investment in GSTC in order to achieve a targeted level of ownership in GSTC.

126. The capital expected to be raised by the second round of INVESTOR equity

investment in GSTC would have paid all maturing venture debt owed to Ashton Controlled Entities, Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities.

127. Upon receipt of the INVESTOR's equity investment, GSTC would have been able to secure additional private equity and debt investment sufficient to pay in full the private venture debt provided by Ashton Controlled Entities, Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities.

- (e) **Defendant Ashton and alter ego Controlled Entities express change-in-heart for long term relationship, form plan to exploit below-market-cost shares using special knowledge obtained in a fiduciary capacity to GSTC, WD Pty and Shareholders, ultimately converts a corporate opportunity for his own benefit.**

128. As a director of GSTC, Defendant Ashton was bound by the Standards of Conduct adopted in the Wyoming Business Corporations Act.

129. On November 19, 2014 Defendant Ashton signed a Director Agreement acknowledging his duties as a director of GSTC under Wyoming law and ratifying his duties of responsibility, care, loyalty, disclosure and obligation to maintain GSTC information confidential.

130. Defendant Ashton was compensated for his Board service through the issuance of non-statutory stock options in GSTC, which he directed be transferred to Kinabalu.

131. Defendant Ashton and his Ashton Controlled Entities were highly compensated by the issuance of non-statutory below-market-value stock options in GSTC.

132. Beginning in 2013, Defendant Ashton demanded that his equity investment and that of his Ashton Controlled Entities be purchased by a third party to be found by GSTC.

133. During a fundraising trip to meet potential investors, Defendant Ashton demanded priority payout on the equity investment belonging to himself and his Ashton Controlled Entities.

134. The GSTC Board of Directors determined that Defendant Ashton's conduct and demands were inappropriate and a breach of his fiduciary as a member of the board.

135. On August 5, 2015, the GSTC Board of Directors, with Director Ashton in attendance, adopted Resolution B to become part of the By-Laws of GSTC.

136. Resolution B adopted by the Board of Directors on August 5, 2015 provided as follows:

HEREBY BE IT RESOLVED THAT all members of Board Directors adhere at all times to the following code of conduct (the "Code"):

1 – Other than for administrative matters like travel or expense reimbursement, no Director may directly contact any employee of the Company about Company matters unless they first coordinate directly with the CEO of the Company;

2 – All Directors shall sign the attached Directors Agreement and understand that their role is advisory and that day to day operation of the Company is the role of the officers;

3 – No Director may visit Company facilities unless they first coordinate directly with the CEO of the Company;

4 – All Directors shall recuse themselves from discussions or votes that involve a conflict of interest, including those that relate to their family or friends or which relate to their or their affiliates' equity or debt in the Company;

5 – No Director shall directly (or indirectly through an affiliate) purchase the equity, rights to equity or debt of the Company from another holder unless the Board of Directors approves such a purchase in advance;

6 – No Director shall publicly comment on the operations, prospects or business of the Company unless the CEO consents to such a disclosure in advance; and

7 – No Director shall represent the company in third party business discussions unless the CEO or the Board of Directors approves such a representation in advance.

137. Defendant Ashton repeatedly violated the Code of Conduct adopted by the Board of Directors to benefit his Ashton Controlled Entities, to the detriment of GSTC and other shareholders of GSTC.

138. Defendant Ashton, in his role as a member of the Board of Directors, was introduced to key INVESTOR representatives and learned of the funding negotiations between GSTC and INVESTOR.

139. In August of 2015, Dr. Pope learned that Defendant and then Director Ashton was attempting to sell Ashton Controlled Entity Kinabalu's shares of GSTC to INVESTOR in competition with GSTC's efforts to secure additional private venture equity investments from INVESTOR.

140. On August 14, 2015, Chairman on the Board of Directors John Pope sent an email to Defendant and then Director Ashton stating as follows:

Simon,

We've become aware that you are engaged in direct discussions with [INVESTOR] around selling a portion of your stake in WellDog.

As I shared in Brisbane, WellDog has been discussing directly with [INVESTOR] a possible debt or equity funding transaction. Now that they have considered the latest field trials a success, we expect those discussions to be fruitful for the company.

Therefore, any discussion between you and [INVESTOR] provides [INVESTOR] an alternative, possibly lower cost, avenue toward increasing their equity ownership in WellDog.

Your knowledge of [INVESTOR's] desire to increase its holdings is due to your service as a non executive director of WellDog. Your interactions with them are competitive to the company's interest. I understand this may have been somewhat confusing given the SBA personal guarantee issue, so we wanted to communicate clearly via this email.

So that there is no misunderstanding: if you continue to pursue a transaction with [INVESTOR] without the company's prior approval, we will consider it a violation of your director's agreement and WellDog's Director Code of Conduct.

If you have any questions, please let us know.

Regards,

John

141. The context of the August 14, 2015, email from Chairman on the Board of Directors John Pope to Defendant referred to GSTC doing business as "WellDog" and related to Director Ashton's role as a Director of GSTC doing business as WellDog.

142. Plaintiff is informed, believes and therefore alleges that Defendant Ashton offered to sell and sold to INVESTOR below market value non-statutory shares acquired by his Ashton Controlled Entity through options or warrants, which were meant for long-term investment, for a price far in excess of the purchase price of the shares, but at price well below the market price that INVESTOR would have paid GSTC for additional shares.

143. Defendant Ashton masqueraded his improper actions under disguise of an effort to reduce his interest below 20%, saying it was to avoid having to personally guarantee a Small Business Administration loan being sought by GSTC.

144. On November 13, 2015, Defendant and then Director Ashton notified the Board of Directors of his sale of Kinabalu shares to INVESTOR. The price per share was not disclosed by Defendant Ashton or the Ashton Controlled Entities to GSTC or GSTC's shareholders.

145. Plaintiff is informed, believes and therefore alleges that Defendant Ashton's transaction with INVESTOR was negotiated while Defendant Ashton was traveling in the United States.

146. Defendant Ashton, in his role as Director of GSTC, wrongfully converted for his sole benefit GSTC's business opportunities and deprived GSTC of the business opportunities to



sell its shares that would have benefitted the company and thereby all shareholders pro rata.

147. Defendant Director Ashton's conduct constitutes unfair business competition by him and his Ashton Controlled Entities.

148. Defendant Director Ashton wrongfully used GSTC's confidential information to accomplish his purposes.

149. Defendant Director Ashton's conduct was a misappropriation of corporate opportunities belonging to GSTC.

150. Defendant Ashton's conduct violated the *Director Conflicting Interest Transactions* requirements mandated by the *Wyoming Business Corporations Act*. See, Wyoming Statutes Title 17, Chapter 16, Article 8, Sections F & G.

151. Defendant Ashton's conduct was especially egregious because Ashton sold to INVESTOR shares Ashton obtained at below-market-value which were issued to the Ashton Controlled Entities to secure long term financial support of GSTC and WD Pty.

152. It is reasonably believed that Defendant Ashton made a many-fold profit incident to the sale of Ashton Controlled Entities' share to INVESTOR, which profit is unjust and unjustifiable and preferential to all other shareholders.

153. Defendant Ashton's use of confidential information interfered with and impeded GSTC's efforts to raise private venture equity by selling shares to INVESTOR and to other private venture equity investors.

154. The market for raising private venture equity and private venture debt was favorable to GSTC at the time Defendant Ashton and his Controlled Entities interfered with, and misappropriated, GSTC's opportunities to raise new capital from INVESTOR.

155. Having converted the new INVESTOR capital to his own use, and having denied GSTC access to the capital which it had worked hard to bring in and secure, Defendant Ashton prevented GSTC from having means to extinguish the Ashton Controlled Entity ProX debt.

156. The effect of Defendant Ashton's successful plan was to sell his shares to INVESTOR using GSTC insider information, which advantaged Ashton over all other shareholders and denied GSTC necessary private venture equity capital.

157. Defendant Ashton breached his statutory duties under the Wyoming Business Corporations Act as well as his common law duties of loyalty as a Director of GSTC. Ashton

used the information he learned, and the opportunity provided to him, in his role as a Director of GSTC to benefit his Ashton Controlled Entities and the Take Over Group for their personal gain.

158. Had Defendant Ashton and his Ashton Controlled Entities not interfered with the INVESTOR opportunities to inject private venture equity capital into GSTC, GSTC would have been able to pay off the ProX debt, entirely.

159. Had Defendant Ashton and his Ashton Controlled Entities not interfered with the INVESTOR opportunities to raise additional private venture equity capital into GSTC, GSTC would have retired all of the venture debt held by the members of the Take Over Group thereby eliminating high interest costs, capital payment obligations and the need to issue additional warrants to attract new investment.

160. GSTC and its subsidiary WD Pty suffered and continue to suffer damages which were reasonably foreseeable to and known by the Ashton Controlled Entities and other members of the Take Over Group.

161. Defendant Ashton and his Ashton Controlled Entities' conversion of GSTC's business opportunity with INVESTOR, created a preference to Ashton Controlled Entities' causing injury to all innocent shareholders who were unable to participate in the conversion.

162. Taking advantage of the vulnerability caused by the Ashton Controlled Entities' improved position with respect to their venture debt by obtaining and exacting (1) a charge over the whole of the assets and undertaking of GSTC's subsidiary WD Pty, (2) new rights to demand, at will, financial information relating to GSTC and WD Pty, (3) higher interest rates, rights to penalty payments and penalty interest charges, (4) new rights to accelerate the payment of the principal debt, thereby significantly shortening the period within which WD Pty had to pay and placing pressure on cash flow, and (5) new rights of appointment of a receiver/manager to take control of WD Pty for the exclusive benefit of the Ashton Controlled Entities.

163. By taking advantage of the vulnerability created and caused by Defendants, Ashton and his Ashton Controlled Entities created in themselves unreasonable and unfair preference and opportunities above all other innocent shareholders.

(f) **Take Over Group develops Take Over Plan and begins implementing the Plan using GSTC and WellDog employees, inducing multiple breaches of fiduciary duties.**

164. While serving as a Wyoming director of GSTC, Director Defendant Ashton

conceived of a plan with others to unlawfully and inequitably divest GSTC of WD Pty subsidiary in Australia.

165. The Mactaggart Controlled Entities, the Brisbane Angels, and Linklater Controlled Entities joined the Ashton Controlled Entities to become the Take Over Group and implement the Take Over Plan.

166. On August 17, 2015, the Mactaggart Controlled Entities, through Defendant Linklater, requested that GSTC and WD Pty permit them to move their venture capital debt from an obligation of WD Pty to become an obligation of GSTC based upon the recommendation of Defendant Linklater and their request was approved.

167. The reorganization of the Brisbane Angels', Jontra's and ACE's venture capital debt left ProX as the sole entity providing WD Pty venture capital debt.

168. Upon information and belief, Defendants ultimate plan was for Defendant Ashton to take control of WD Pty and Defendant Mactaggart to take control of GSTC and their request was actually an early effort by Defendants Mactaggart, Ashton and Linklater to resituate WD Pty and GSTC within each Defendants' realm of control.

169. Between June and August of 2016, Defendant Ashton described to an employee and manager of GSTC his desire to take over WD Pty and merge it into his Ashton Controlled Entities.

170. Ashton Controlled Entities recruited two key employees of WD Pty who served as officers of GSTC to implement the Take Over Action.

171. Using his position as a Director, and while serving as Director of GSTC, Defendant Ashton recruited the help of GSTC's Chief Technology Officer Quentin Morgan to implement the Take Over Action.

172. As a Director of GSTC, Defendant Ashton knew that GSTC's Chief Technology Officer held confidential trade secrets belonging to GSTC.

173. The Take Over Group contemplated the creation of a new entity to aid in the Take Over Action which they describe as the Q Group.

174. Defendant Ashton proclaimed himself as the Chairman of the Q Group.

175. Having impeded GSTC's access to new private venture equity from INVESTOR, Defendant Ashton and his Ashton Controlled Entities began to avail themselves of unfair

negotiating advantages established by adverse conditions brought about by their activities to foreclose the ProX debt.

176. While serving as a Director of GSTC, Defendant Ashton used his position as a member of the Board of Directors to effect meetings with GSTC key employees on company property and on company time to develop and implement the Take Over Activities to convert GSTC assets to the benefit of his Ashton Controlled Entities.

177. It is against GSTC Board of Directors by-laws and code of conduct for a board member to contact any employee of GSTC and/or WD Pty about company matters unless coordinated with the GSTC and WD Pty CEO.

178. It is against the GSTC Board of Directors by-laws and code of conduct for a board member to visit GSTC and/or WD Pty facilities unless coordinated with the GSTC and WD Pty CEO.

179. The Take Over Group colluded to foreclose on their venture debt simultaneously in order to obtain control of WD Pty.

180. After converting GSTC's business opportunities with INVESTOR and impeding GSTC's ability to secure new capital, on September 1, 2016, and without cause, Defendant Ashton and his Ashton Controlled Entity ProX—as part of the Take Over Action—issued WD Pty a Notice of Default, which demanded that the entire debt owed to ProX (approximately US Dollars 4 million) be immediately due and payable, while reserving the right to take steps to appoint a receiver of its choice over WD Pty.

181. The alleged event of default relied upon by ProX was the failure to provide it with certain financial information for the months of June and July 2016. The Notice required that the information be provided by Friday, September 9, 2016.

182. WD Pty provided the requested financial information on September 9, 2016, as demanded, curing the alleged default, if such ever existed.

183. The collaborative activities of Defendants Ashton and his Ashton Controlled Entities and Mactaggart Controlled Entities declaring simultaneous defaults which were the natural result of the Take Over Action and Ashton Controlled Entities' conversion of corporate opportunities created a chilling effect on GSTC's ability to obtain new investments, deterring even previously committed investors from acquiring private venture equity in GSTC.

184. In addition to the notice sent on September 1, 2016, as part of the Take Over Action, Defendant Ashton and his Ashton Controlled Entities:

- (a) Refused to accept the financial information provided by WD Pty on September 9, 2016, notwithstanding that it satisfied the the commercial purpose intended under the debt instrument and as a consequence, the September 1, 2016 Notice;
- (b) On October 6, 2016, issued another default notice, asserting that it would not accept the information provided by WD Pty under the debt instruments on September 28, 2016, notwithstanding that the information satisfied the the commercial purpose intended under the debt instrument;
- (c) On October 21, 2016, issued a further notice, declaring the whole of the debt immediately payable in 2 days (Acceleration Notice). The Acceleration Notice relies upon defaults alleged in the September 1 and October 6 Default Notices (where no such default exists, or has otherwise been cured) and purports to (improperly) rely upon a payment properly made in the ordinary course of WD Pty's business and essential for the proper running of its business (the nature of which payments Defendant Ashton was aware of since his appointment as a director of GSTC). Further, at the time of the issue of the Acceleration Notice, pursuant to proceedings in the Supreme Court of Western Australia, Defendant ProX was bound by court order to take no steps under the September 1 or the October 6 Default Notices; and
- (d) On October 26, 2016, Ashton Controlled ProX issued yet another Default Notice. The October 26 Notice alleged a default had occurred in respect of a payment, which properly calculated under the debt instruments, was not yet due. By an order of the Supreme Court of Western Australia, made October 27, 2016, ProX is as of that date not able to issue any further default notices under the debt instruments, without providing 3 Business Days written notice to WD Pty.

185. At the time of that effort, WD Pty was not in financial default to Ashton Controlled ProX.

186. The nature of the default alleged by Defendant Ashton Controlled ProX was a

technical maneuver based upon a non-material, contrived event used to advance the Take Over Action.

187. In the event there were defaults by GSTC and/or WD Pty, they were caused by Defendant Ashton and his Ashton Controlled Entities' wrongful conversion of GSTC's corporate opportunities.

188. Defendant Ashton Controlled ProX refused to accept financial information provided in the same form as provided to, and previously accepted over past years to manufacture a new basis to wrongfully declare that it was not satisfied with WD Pty's financial information.

189. The essence of Defendant Ashton Controlled ProX's manufactured allegation was that the financial information provided in side-by-side columns, relating to WD Pty and to GSTC should have been presented in two separate documents rather than in a single document. The format chosen by WD Pty allows a reader to quickly see the required information of each company separately as well as the relationship between them and is the same format which the Company has used continuously. Defendants' objections were in essence "form over substance."

190. Notwithstanding being provided with the requested financial information, Defendant Ashton Controlled ProX continued to manufacture reasons for default, declaring that it was entitled to immediate repayment of its debt.

191. Defendant Ashton Controlled Entities' wrongful actions required GSTC to engage Australian counsel to take immediate legal action in an effort to prevent the appointment of a bankruptcy receiver, obtain injunction of further manufactured defaults and respond to inappropriate default notices.

192. In an effort to obtain injunctive relief in a Western Australian Court, GSTC was forced to engage in an expensive litigation process which further impeded its ability to raise additional venture private equity.

193. In a similar coordinated effort, Mactaggart Controlled Entities sent out default notices to GSTC on behalf of the Mactaggart Controlled Entities, ACE and Jontra, based upon manufactured defaults.

194. The Mactaggart Controlled Entities' manufactured defaults were in violation of their debt instruments which give GSTC the contractual right to extend the venture debt term for

an additional year.

195. Mactaggart Controlled Entities' venture debt provide for renewal on the same commercial terms as the preceding year on or about September 1, 2015.

196. Defendant Linklater, while employed as CFO of WD Pty, and Defendant Mactaggart agreed to the debt extension on the same conditions as prior years on or about September 1, 2015.

197. Upon information and belief, Defendant Linklater either by mistake, inadvertence or design inserted, without authority or knowledge of GSTC, language inconsistent with prior year roll overs of the Mactaggart Controlled Entities debt, a new requirement for "principal installments as at the same time as interest payments to the lender in the amount of \$5,000."

198. Defendant Linklater, while employed in 2016 by Mactaggart Controlled Entities, told Dr. Pope that the inclusion of that additional language was a mistake, but that it had been corrected, and that replacement instruments had been issued to Mactaggart Controlled Entities while he was employed with WD Pty.

199. Regardless of that error, omission or commission, the Mactaggart Controlled Entities' venture debt instruments each state in the very next sentence that "Borrower will pay principal on the loan in one or more installments ... on or before the Maturity Date."

200. Each of the Mactaggart Controlled Entities venture debt instruments further provide that "Company [GSTC] has the option to extend upon maturity with no additional warrants up to one year."

201. From the time that the Mactaggart Controlled Entities venture debt instruments were signed by Defendant Linklater, until the termination of his employment with WD Pty and his status as an officer of GSTC on or about April 22, 2016, Mactaggart Controlled Entities accepted interest only payments in normal course of business without objection.

202. Prior to the termination of his employment, Defendant Linklater assigned Ben Goulter, the stepson of Defendant Mactaggart, responsibility for ensuring that all payments were being paid to the Mactaggart Controlled Entities as agreed to by the parties.

203. Defendant Linklater hired Ben Goulter as a favor to Defendant Mactaggart.

204. Defendant Mactaggart's stepson directed that payments be made to the Mactaggart Controlled Entities as modified by Defendant Linklater.

205. On April 28, 2016, six days after Defendant Linklater left WD Pty, Defendant Mactaggart called the note on behalf of Brisbane Angels based on defaults manufactured by Defendant Mactaggart.

206. When Defendant Mactaggart's stepson left employment with GSTC on approximately June 24, 2016, he directed his successor to continue the practice of making interest only payments for the two notes consistent with the course of dealing between the parties through that time.

207. After joining the Take Over Group, Defendant Mactaggart demanded the principal payments against the notes held by ACE and Jontra in order to manufacture a basis to create a default.

208. Dr. Pope and two other employees contacted Defendant Linklater while he was employed or working in concert with the Mactaggart Controlled Entities, and during that telephone conference Mr. Linklater confirmed that he and Mactaggart had agreed to continue the previous payment plan and that no principal payments against the two notes held by ACE and Jontra were owed or expected.

209. Mr. Linklater advised that the language relating to payments of \$5000 toward principal was an error and that he had corrected notes held by ACE and Jontra.

210. Defendant Linklater assured Dr. Pope and others with GSTC that he had the corrected documents approved by the Mactaggart Controlled Entities.

211. Mr. Linklater was the custodian of those documents, and promised to provide them, which he subsequently refuses to produce without justification.

212. GSTC made all required payments to the Mactaggart Controlled Entities in reliance on the correct payment plan as negotiated between Defendants Mactaggart and Linklater.

213. Not until the Mactaggart Controlled Entities joined in the Take Over Activities did they raise or assert an entitlement to receive additional payments of principal.

214. The course of conduct and performance prior to Mactaggart Controlled Entities' assertion of default was that GSTC was to pay interest only.

215. Mactaggart Controlled Entities were estopped by their own conduct to assert that there was a requirement for GSTC to pay additional payments of principal.



216. The Mactaggart Controlled Entities developed a pattern of accepting all modified payments without objection.

217. Notices of default issued by the Mactaggart Controlled Entities, including the September 30, 2016 default notice, were contrived and without justification.

218. Defendants Mactaggart Controlled Entities wrongfully declared a default by GSTC which was making all payments pursuant to the modified repayment schedule agreed among Defendant Linklater and Defendant Mactaggart.

219. In order to raise new capital to address and respond to the Take Over Group's activities, GSTC was required to reduce the conversion value of its shares in a pro-rata convertible debt offering to secure new capital from its investors.

220. The Mactaggart Controlled Entities' asserted defaults were not-in-fact defaults under the correctly understood arrangements in place between the Mactaggart Controlled Entities and GSTC pursuant to the commercial context in which the parties operated.

221. Defendants conspired to erode the value of WD Pty in order to force a transfer of the business to their members, giving them a preference over all other shareholders.

222. From the date of Defendant Linklater's resignation until at least late September 2016, he used his position as Director of WD Pty. Ltd. to gain information as the agent for the Take Over Group.

223. Defendant Linklater made demands that he be (1) included in all emails and communication concerning WD Pty. Ltd., (2) provided with a complete set of WD Pty. Ltd.'s financial records, (3) given access to information concerning the litigation against ProX Pty., Ltd., and sole decision making authority in that litigation, and (4) given information regarding the purpose for Well Dog Pty. Ltd.'s senior management meetings with the COO and sole discretion concerning whether the meetings should occur.

224. Defendant Linklater made numerous threats to resign as Director if his demands were not met.

225. Defendant Linklater communicated with GSTC's lenders, investors, shareholders, and financiers to disrupt GSTC's financial operations in furtherance of the Take Over Action.

(g) **Plan is discovered, requiring costly legal actions to obtain injunctions temporarily protecting diminished GSTC shareholder value and innocent shareholders, resulting in continuing damages.**

226. Throughout the summer of 2016, the Take Over Group's Take Over Activity became more concerted and overt.

227. On September 9, 2016, Campbell Smith as agent of the Ashton Controlled Entities proposed "acquiescing to a discussion" which would result in (1) Ashton Controlled Entities obtaining control over WD Pty for AU\$1,000 (2) Ashton Controlled Entities taking control of GSTC's remote gauge business and its other leading technology, (3) Ashton Controlled Entities' equity capital in GSTC to be purchased by INVESTOR.

228. On September 6, 2016, Defendant Linklater as the agent for Defendants Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities proposed "an arrangement" "for a solution to Mactaggart and the Brisbane Angels" which would result in the Brisbane Angels and Mactaggart Controlled Entities liquidating their entire investment in GSTC including, (1) the payment or conversion of all promissory notes for the Brisbane Angels and Mactaggart controlled entities, (2) all default warrants to be issued to the Brisbane Angels and Mactaggart Controlled Entities, (3) preferential buyout and share buyback for the Brisbane Angels and Mactaggart Controlled Entities, and (4) Mactaggart Controlled entities taking a fixed charge over GSTC, including specific intellectual property

229. Effectively, the plan was for Ashton Controlled Entities to take over WD Pty and the Mactaggart/Linklater/Brisbane Angels to take over the GSTC's Technology without fair consideration and to the detriment of GSTC and its Shareholders.

230. On September 10, 2016, Defendant Linklater as the agent for Defendants Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities reiterated his plan for Ashton Controlled Entities to take over WD Pty and Mactaggart Controlled Entities takes over GSTC, threatening CEO Dr. Pope that if no solution was found, Defendant Ashton would drive WD Pty into bankruptcy.

231. The plan for Ashton Controlled Entities to take over WD Pty and Mactaggart Controlled Entities to take over GSTC was secretly articulated in an email from Defendant Ashton, dated September 21, 2016, to Defendant Meldrum, Defendant Morgan, and Defendant Linklater, with a fictitious proposed press release to be issued on October 1, 2016, suggesting that GSTC was surrendering its Australia WD Pty assets to ProX. It falsified statements

attributed to Dr. Pope as GSTC's President as follows:

**GSTC divests WellDog Australia subsidiary in MBO to The Q Group 1st  
October 2016 (Brisbane, QLD) - WellDog "Gas Sensing Technology  
Corporation**

(GSTC) has today announced that it has divested its Australian subsidiary (WellDog Pty Ltd) in a Management Buy Out transaction to The Q Group Pty Ltd (Q Serv) led by Venture Capital specialists ProX. GSTC will now focus on developing and commercialising applications for its industry leading Reservoir Raman Spectroscopy technology in the high growth US shale and coal seam gas markets, and on geomarket expansion into China with this technology platform. GSTC, in partnership with cornerstone investor Shell Ventures Technology (STV), will be allocating the funds and the savings generated to develop next generation downhole chemical sensing technology platforms to improve enhanced oil recovery from conventional oil reservoirs and to provide crucial actionable data mandated under monitoring, verification and accounting (MVA) regulations applicable to carbon capture and underground sequestration (CCUS) projects. These R&D initiatives will leverage the knowhow acquired and expertise assembled during a decade of innovating miniaturised and ruggedized laser-based spectroscopy systems that are able to withstand the harsh conditions encountered in deep boreholes, with hundreds of successful logging runs conducted in the US and overseas territories.

Commenting on the transaction, GSTC CEO John Pope, Ph.D., said "The Australian WellDog business is now very well established, providing a range of innovative products and services to the Queensland CSG industry to optimise productivity of wells supplying gas to LNG plants at Gladstone and Curtis Island, and reduce life cycle costs of CSG wells. We are delighted that the Management Team in Australia have the confidence to take this opportunity and drive the service business to new heights.

The transaction will allow GSTC, in partnership with Shell Technology Ventures (STV), to invest in the unique IP and core technologies that enable its clients to identify and develop the hydrocarbon resources in the onshore shale and coal basins throughout the globe."

Q Group chairman, Simon Ashton, commented "We are always delighted to back high quality people in this business and, now that Q Serv is a wholly Australian-owned service company, we will recapitalise the business and focus on supporting the existing CSG production monitoring and optimisation product lines and continue to supply submersible pumps, pump life enhancement products and completions systems from our partners Baker Hughes.

As a company, we are strongly committed to innovation and will accelerate funding to a very active R&D pipeline of new capabilities, to more effectively address the key challenges still facing the CSG and mining industry client base. In particular, Q Serv will be expanding the range of solutions encompassed under the environmental services product line to address the need for simple, reliable and cost effective low-flow, deep aquifer fluid level monitoring and sampling systems.

Ashton added "We have strong plans for growth, both organically and through M&A activity, despite the current downturn in the industry, as we see significant upside value in technology that is capable of reducing our client's costs and improving performance. Our Mission is to provide a low cost, high volume technology bridge from the Conventional to the Unconventional to the Hard Rock mining industries."

Q Serv will undertake a seamless transition and assume immediate responsibility

for all current WellDog activities in Australia, including the Brisbane offices and the Data Acquisition & Artificial Lift Technology Centre in Toowoomba, QLD. The Senior Management team and all key staff will remain unchanged and the business unit will work closely with its clients, supply chain and staff to ensure that the business continues to provide the highest quality services.

232. Beginning in at least September 2016 and continuing through December 2016, Defendant Mactaggart engaged in a series of communications with GSTC board members, shareholders, debtholders and investors in an effort to generate outrage for GSTC's failure to cure manufactured defaults and fear for the health of the company in furtherance of the Take Over Action.

233. Defendant Mactaggart continued to personally engage in communications with GSTC board members, shareholders, debtholders and investors in an effort to generate outrage for GSTC's failure to cure manufactured defaults and fear for the health of the company.

234. On September 26, 2016, Defendant Mactaggart provided a "WellDog Update" to GSTC investors, including Defendant Linklater, advising how "pissed" he is that GSTC has refused to cure its defaults, apply default interest or pay a principal reduction payment to Defendant Mactaggart Controlled Entities.

235. On October 4, 2016, Defendant Mactaggart instructed GSTC board members, noteholders and shareholders that because CEO Dr. Pope has allegedly "failed to pay suppliers," "destroyed essential relationships with the major debt holders" and all but destroyed GSTC's shareholder value he must be terminated to save GSTC.

236. Defendant Mactaggart failed to disclose to the board members, noteholders and shareholders that the alleged unpaid "suppliers" and mistreated "debt holders" he was referring to are Mactaggart Controlled Entities and Ashton Controlled Entities.

237. GSTC and its shareholders lost a significant fundraising opportunity when Ashton Controlled Entities intercepted the INVESTOR investment developed by GSTC.

238. The actions of the Ashton Controlled Entities were a breach of their statutory fiduciary duties owed to GSTC and its shareholders.

239. After being denied the investment opportunity from INVESTOR as a result of Defendant Ashton Controlled Entities' breaches of fiduciary duty, GSTC began immediate efforts to mitigate its losses by planning a new round of secured, traditional asset-backed commercial debt.

240. This new round of financing was motivated in part to extinguish all maturing private venture debt owed to the Ashton Controlled Entities, the Mactaggart Controlled Entities and the Brisbane Angels.

241. Defendants Take Over Group intentionally interfered with the efforts of GSTC to raise new secured asset-backed venture debt for purposes of extinguishing Defendants' venture debt.

242. Defendants' actions caused more than a 90% destruction of GSTC shareholders' enterprise value, calculated by reference to the current market-based capital raising valuation as compared to the valuation prior to the improper take-over attempt (US Dollars 10 million as compared to the valuation then agreed with third parties of US Dollars 100 million).

243. Based on market assessment and in-depth consulting with the financial sector, it was determined a lower valuation would generate the best likelihood of attracting pro-rata investment of capital to address Defendants' private venture debt. The significantly lower valuation was proposed to the Board of Directors and was approved by the Board of Directors prior to being offered first pro-rata to all existing GSTC shareholders.

244. The GSTC Board of Directors determined that it had no other reasonable options given the damage to the companies perpetrated by the Defendants and potential risks and uncertainties caused by the actions of Take Over Group.

**(h) Defendants successfully take over WD Pty in forced bankruptcy, causing irreparable harm to GSTC and continuing damages.**

245. As a result of Defendant Ashton's improper actions, ProX was able to appoint a bankruptcy receiver over WD Pty on March 23, 2017.

246. Plaintiff is informed, believes, and therefore alleges that Defendant Ashton controlled ProX, using liquid capital attained from the corporate conversion of sale of stock to INVESTOR, purchased WD Pty from their own receivers for a value less than the debt owed to ProX.

247. Plaintiff is informed, believes, and therefore alleges that ProX transferred the ongoing business to a new entity called Qteq.

248. Plaintiff is informed, believes, and therefore alleges that Defendant Ashton is a majority shareholder, CEO and Chairman of Qteq.

249. Plaintiff is informed, believes, and therefore alleges that Defendant Morgan is a shareholder and Chief Innovation Officer of Qteq.

250. Plaintiff is informed, believes, and therefore alleges that Defendant Meldrum is a shareholder and Chief Operating Officer of Qteq.

251. Plaintiff is informed, believes, and therefore alleges that Defendant Linklater is a shareholder of Qteq.

252. Plaintiff is informed, believes, and therefore alleges that Defendant Mactaggart's step-son, Ben Goulter now works for Qteq.

253. Plaintiff is informed, believes, and therefore alleges that Qteq continues to market and utilize GSTC's intellectual property for economic benefit. Including, patents, trademark, goodwill, and trade secrets.

254. The wrongful conduct of the Take Over Group caused and continues to cause Plaintiffs damages as follows:

- a. The inability to pay out, in full, certain debts owed by WD Pty and GSTC to Defendants and others, and thereby incurred legal costs, interest and penalty costs and other expenses which would not otherwise have been incurred;
- b. Operational constraints due to undercapitalization;
- c. Impairment of GSTC and WD Pty's ability to raise additional capital for the benefit of the first and second plaintiffs;
- d. Inability to realize certain commercial and market opportunities, which were otherwise available and did not take advantage of then existing opportunities to enter new markets;
- e. The loss of WD Pty and takeover by certain of the Defendants for the benefit of certain of the Defendants and others;
- f. Significantly weakening GSTC's financial condition, leaving them vulnerable to exploitation by certain of the defendants.
- g. Financial stress requiring the cessation of research and development staff and of project development staff.

h. Significant destruction in share value to all innocent shareholders.

**V. CLAIMS FOR RELIEF**

**FIRST CLAIM FOR RELIEF:**  
**BREACHES OF FIDUCIARY DUTIES BY INDIVIDUAL DEFENDANTS**

255. Plaintiffs incorporate by reference all preceding allegations of the Complaint.

256. Throughout the time giving rise to the claims made in this Complaint, Defendant Ashton was a director of GSTC owing to the Plaintiffs a fiduciary duty of loyalty more fully described above.

257. Throughout the time giving rise to the claims made in this Complaint, Defendant Linklater was an employee of WD Pty and officer of GSTC owing to Plaintiff fiduciary duties of loyalty more fully described above.

258. Throughout the time giving rise to the claims made in this Complaint, Defendant Morgan was an employee of WD Pty and officer of GSTC owing to Plaintiff fiduciary duties of loyalty more fully described above.

259. Throughout the time giving rise to the claims made in this Complaint, Defendant Meldrum was an employee of WD Pty and officer of GSTC owing to Plaintiff fiduciary duties of loyalty more fully described above.

260. Prior to and throughout the time giving rise to the claims made in this Complaint, Defendant Mactaggart either served as a member on the board of directors to WD Pty or had as his agent, Defendant Linklater, who owed Plaintiff fiduciary duties of loyalty, serve in that role.

261. As a Wyoming corporate director officers of GSTC, Defendants owed a fundamental duty of loyalty and fiduciary responsibility to GSTC arising out of their paid service through GSTC.

262. All the employees, officers and directors of GSTC and its subsidiary team member WD Pty enjoyed special knowledge regarding GSTC's business and the business of its wholly owned subsidiary.

263. All the employees, officers and directors of GSTC and its subsidiary team member WD Pty owed a special duty to not use information gained by them to their own advantage and to the detriment of shareholders of GSTC.

264. Defendants Take Over Group induced and directed these employees, officers and

directors of GSTC and its subsidiary team member WD Pty to breach their duties owed to Plaintiffs.

265. Defendants Take Over Group usurped and took advantage of usurpation by others of GSTC's corporate business opportunities.

266. The lost investment to GSTC which was intercepted by the Take Over Group should have benefitted all Class Shareholders.

267. The Take Over Group beached and caused others to breach their fiduciary duties owing to Plaintiffs.

268. All named Defendants were offered stock benefits in GSTC as incentives for their services to WD Pty. Those incentives created a fiduciary relationship between them and GSTC.

269. The fiduciary duties owed by Defendants Ashton, Linklater, Mactaggart, Morgan and Meldrum to not use their roles as officers, directors and employees of GSTC were breached while executing the Take Over Activities.

270. The duties of the Take Over Group and its members not to compete with GSTC for resources and business opportunities belonging to GSTC is even higher because of the status of the Take Over Group's holdings of equity, low-cost warrants, and highly compensated debt of GSTC.

271. As a Wyoming corporate director of GSTC, Defendant Ashton owed a duty to GSTC of fairness in all transactions in which he or the Ashton Controlled Entities had access and which duty of fairness in all transactions includes the obligation to make full disclosure of self-dealing affecting GSTC.

272. Defendant Ashton breached his duties of fairness and full disclosure when he negotiated on behalf of himself and the Ashton Controlled Entities to sell GSTC shares to INVESTOR.

273. As a direct and proximate result of breaches by Defendant Ashton, GSTC and its Shareholders, have been damaged and the shareholders have suffered special and unique injury to the value of their interests in GSTC.

274. As a direct and proximate result of the aiding and abetting in the breaches of fiduciary duty by the Ashton Controlled Entities, the Mactaggart Controlled Entities, and Brisbane Angls, GSTC and its Shareholders, have been damaged and the shareholders have



suffered special and unique injury to the value of their interests in GSTC.

275. Officers, senior officers, and/or employees of WD Pty were compensated with bonuses paid through GSTC's employee incentive stock option plan and they owed GSTC fiduciary duties.

276. These duties required the Employees at all times to act on behalf of GSTC's interest in the execution of WD Pty in good faith, to exercise due care that an ordinarily prudent person in a like position would exercise under similar circumstances, and to conduct themselves in a manner they reasonably believed to be in the best interest of the company.

277. As part of their fiduciary duties, the Employees at all times were required to be honest and candid and to make complete disclosure in their dealings with the company.

278. Further, in their communications with investors, the Employees were obligated to do so honestly, candidly and completely in all material respects.

279. By virtue of the acts and omissions described in this Complaint, the Defendants' Take Over Group repeatedly encouraged and caused Employees to violate their fiduciary duties to GSTC.

280. The Defendants created confederations with Employees in violation of their duties of good faith, due care, and loyalty.

281. As a result of Defendants' wrongful conduct, Plaintiffs have suffered permanent past and future economic damages in an amount to be proven at trial.

**SECOND CLAIM FOR RELIEF:**  
**INSIDER TRANSACTION AND CONVERSION OF CORPORATE OPPORTUNITY**

282. Plaintiff incorporates by reference all preceding allegations of the Complaint.

283. Defendant members of the Take Over Group have individually and together misappropriated GSTC's corporate opportunities to raise capital for the benefit of the company and all its shareholders.

284. Defendant members of the Take Over Group have individually and together attempted to, have a plan to, and/or have misappropriated GSTC's intellectual property which it licenses to WD Pty.

285. Defendant Ashton using his Ashton Controlled hired employees of GSTC and/or its WD Pty subsidiary which is a misappropriation of the company's human and intellectual

property, Trade Secrets, Patents and know-how.

286. As a result of Defendants' wrongful conduct, Plaintiff has suffered permanent past and future economic damages in an amount to be proven at trial.

**THIRD CLAIM FOR RELIEF:**  
**TORTIOUS INTERFERENCE WITH CONTRACT EXPECTANCY**

287. Plaintiff incorporates by reference all preceding allegations of the Complaint.

288. GSTC had a valid expectancy of contract to sell additional shares to INVESTOR.

289. As a director of GSTC, Defendant Ashton learned of INVESTOR's interest in purchasing more shares of GSTC.

290. Defendant Ashton knew of GSTC's expectation and used the relationship developed with INVESTOR employees while a director of GSTC to induce INVESTOR to purchase shares from his Ashton Controlled Entity Kinabalu.

291. Defendant Ashton and the Ashton Controlled Entities induced or caused a termination of the relationship and expectancy that GSTC had to sell shares to INVESTOR which would have raised funds to pay the maturing private venture debt of GSTC's subsidiary WD Pty, to Ashton Controlled Entity ProX.

292. Defendant members of the Take Over Group have individually and together joined to take advantage of the misappropriation of GSTC's corporate opportunities to implement their Take Over Activity.

293. Plaintiff suffered damages as result of the disrupted relationship and expectancy of contract caused by Defendants in an amount to be proven at trial.

294. Wherefore, Plaintiff requests that:

- a. Plaintiff be awarded damages equal to the loss of benefits of the prospective contracts between GSTC and INVESTOR;
- b. Plaintiff be awarded consequential losses caused by Defendants interferences;
- c. Plaintiff be granted such other and further relief as the court deems just and equitable.

**FOURTH CLAIM FOR RELIEF:**  
**TORTIOUS INTERFERENCE WITH CONTRACT**

295. Plaintiff incorporates by reference all preceding allegations of the Complaint.

296. Defendants Take Over Group intentionally interfered with the contractual relationships between Plaintiff GSTC and its employees and officers by inducing employees and officers of GSTC and employees of its subsidiary WD Pty, bonused by GSTC, into the Take Over Activities.

297. Plaintiffs suffered damages as result of disrupted relationships with employees caused by Defendants in an amount to be proven at trial.

298. Wherefore, Plaintiffs request Plaintiffs be awarded damages caused by the tortious interference in an amount to be proven at trial.

**FIFTH CLAIM FOR RELIEF:**  
**SELF DEALING AND UNJUST ENRICHMENT**

299. Plaintiff incorporates by reference all preceding allegations of the Complaint.

300. That Take Over Activities constitute self-dealing on behalf of the Take Over Group.

301. The Take Over Activities have resulted, and will continue to result in, unjust enrichment to the Take Over Group to the disadvantage of Plaintiff.

302. Plaintiff has been injured as a result of Defendants Take Over Group's self-dealing through which they intend to acquire GSTC's Australian subsidiary WD Pty.

303. As a result of Defendants' breach of fiduciary duty by self-dealing, Plaintiff has suffered permanent past and future economic damages in an amount to be proven at trial.

**SIXTH CLAIM FOR RELIEF:**  
**CIVIL CONSPIRACIES**

304. Plaintiff incorporates by reference all preceding allegations of the Complaint.

305. Defendants each entered into a conspiracy pursuant to which the Take Over Group, its agents, and others unlawfully and in bad faith breached fiduciary duties so as to deprive GSTC and its shareholders of capacity to raise capital.

306. Defendant Ashton and his Ashton Controlled Entities wrongfully caused INVESTOR to purchase shares of GSTC from the Ashton Controlled Entities in a manner which breached Defendant Ashton's fiduciary duties to GSTC and its other shareholders.

307. The conspiracy was then joined by all other members of the Take Over Group for the personal benefit of the Defendants Take Over Group in order to harm GSTC and its

shareholders.

308. After interfering with GSTC's opportunity to raise capital, Defendants developed a secret plan to convert GSTC's WD Pty to their own use for a value substantially below the value of the asset.

309. After interfering with GSTC's opportunity to raise capital, Defendants developed and executed a secret plan to convert GSTC's intellectual property and trade secrets to their own use for a value substantially below the value of the asset.

310. Defendants are liable to plaintiffs in actual, compensatory, and consequential damages for their civil conspiracy in amounts to be determined at trial.

**SEVENTH CLAIM FOR RELIEF:**  
**LENDER LIABILITY AND THE BREACH OF GOOD FAITH AND FAIR DEALING**

311. Plaintiff incorporates by reference all preceding allegations of the Complaint.

312. Defendant Ashton and his Ashton Controlled Entity, ProX, lent funds to WD Pty which is reflected by promissory notes governed on their face by Australia law.

313. Over a period of time, while Defendant Ashton was a director of GSTC, debt owed by WD Pty to ProX was serviced by GSTC's issuance of dilutive warrants at below market share value to Ashton Controlled Entity Kinabalu.

314. GSTC intended, and would have, caused the debt between Ashton Controlled Entity ProX and WD Pty to be satisfied had Defendant Ashton and Ashton Controlled Kinabalu not interfered with GSTC's effort to raise investment capital by selling GSTC shares to INVESTOR.

315. Defendant Ashton and his Ashton Controlled Entity, ProX, owed Plaintiff a duty of good faith and fair dealing to GSTC arising out of the relationship whereby GSTC paid for debt service on behalf of WD Pty, to Ashton Controlled Entity Kinabalu.

316. Other members of the Take Over Group owed duties of good faith and fair dealing to GSTC arising out their special relationships with Plaintiff.

317. Defendants Take Over Group have used their role as lenders to assist in the Take Over Action of WD Pty, and in so doing they have beached their duty of good faith and fair dealing owed by Defendants as lenders to GSTC and its subsidiary WD Pty.

318. As a result of Defendants' breaches, Plaintiff has suffered permanent past and

future economic damages in an amount to be proven at trial.

319. Wherefore, Plaintiff requests that:

- a. Defendants be adjudged to have breached their duty of good faith and fair dealing owed to Plaintiff;
- b. Plaintiff be awarded damages for Defendants' breaches in an amount to be proven at trial;
- c. Plaintiff be awarded attorneys' fees and the costs of this action; and
- d. Plaintiff be granted such other and further relief as the court deems just and equitable.

**EIGHTH CLAIM FOR RELIEF:**  
**MISAPPROPRIATION OF TRADE SECRETS;**  
**AND RESULTING UNFAIR BUSINESS PRACTICES & UNFAIR COMPETITION;**  
**INJUNCTIVE RELIEF**

320. Plaintiff incorporates by reference all preceding allegations of the Complaint.

321. Plaintiff GSTC owns trade secrets and confidential information in the field of coal bed methane production and servicing.

322. Plaintiff GSTC obtains from its employees, officers and directors agreements to protect GSTC's trade secrets, confidential information and intellectual property (collectively "Trade Secrets."

323. GSTC commercialized its Trade Secrets directly and through its subsidiary WD Pty.

324. Defendants Take Over Group improperly used their influence and special relationship with GSTC to cause GSTC, WD Pty and their employees to disclose to them GSTC Trade Secrets.

325. Defendants Take Over Group willfully and maliciously misappropriated Plaintiff's trade secrets for the benefit of the Take Over Group.

326. Defendants Take Over Group's conduct, individually and collectively, violates the Wyoming Trade Secrets Act.

327. Plaintiff is informed, believes and therefore alleges that Defendants obtained, through illicit means, Trade Secrets of GSTC and WD Pty.

328. Plaintiff is informed, believes and therefore alleges that Defendants, individually

and jointly, used Plaintiff's trade secrets as part of the Take Over Activity.

329. Defendants' conduct constitutes unfair competition and unfair or deceptive acts or practices in violation of the Wyoming Uniform Trade Secrets Act and Wyoming common law. Pursuant to Wyoming Statutes § 40-24-102, this Court should enter a temporary and permanent injunction restraining Defendants and all persons or entities acting in privity, in concert, or in participation with Defendants, directly or indirectly, from:

- a. Using or disclosing, for the benefit of anyone other than GSTC, or otherwise misappropriating Plaintiff's Trade Secrets in the field of coal bed methane production and monitoring;
- b. Directly or indirectly using or disclosing any GSTC products and services which are part of GSTC's Trade Secrets.

330. Wherefore, Plaintiff requests that:

- a. Plaintiff be awarded damages adequate to compensate Plaintiffs for their damages caused by Defendants deceptive business practices;
- b. Plaintiff be awarded attorneys' fees and the costs of this action;
- c. Plaintiff be granted such other and further relief as the court deems just and equitable.

**NINTH CLAIM FOR RELIEF:**  
**DECLARATORY RELIEF**

331. Plaintiff incorporates by reference all preceding allegations of the Complaint.

332. Plaintiff is entitled to declaratory relief that:

- a. It is not in default of the debt instruments with Ashton Controlled Entities, Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities; and
- b. That defaults of the debt instruments, if any, with Ashton Controlled Entities, Mactaggart Controlled Entities, Brisbane Angels and Linklater Controlled Entities were caused by the Take Over Group.

**TENTH CLAIM FOR RELIEF:**  
**SETOFF/OFF SET OF DAMAGES AGAINST EQUITY AND DEBT**

333. Plaintiff incorporates by reference all preceding allegations of the Complaint.

334. Plaintiff is entitled to the right of set off any and all damages it has suffered

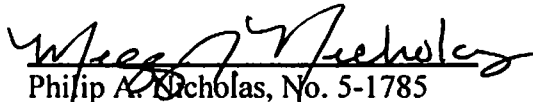
against the equity and debt interests of the Take Over Group in GSTC.

335. Plaintiff is entitled to, and demands, a prejudgment right of setoff to the equity and shares in GSTC belonging to any Defendant and specifically members of the Take Over Group.

**JURY DEMAND**

Pursuant to W.R.C.P. Rule 38(b), plaintiffs demand a jury trial on all triable issues arising out of this action.

Dated: May 15, 2018.

  
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