



QUARTERLY ACTIVITIES REPORT SEPTEMBER 2019

31st October, 2019

SUMMARY

Philippines

- Current plan is to promptly deepen and test oil sandstones in Nuevo Malolos-1 ("NM-1").
- Site operations commenced in early September 2019.
- Company owned Rig-2 has been moved from the Malolos-1 ("M-1") wellhead and is now onsite at NM-1.
- Rig-2 service and maintenance has been completed and the rig is ready to drill.
- Strategies to drill new wells using 100% Company owned rigs located in Philippines as part contribution to earn equity in new ventures, minimising cash investment.

France

- In July 2019, the Company submitted a €34.5 million (approximately A\$55 million) financial claim with the French Government for the unlawful non-renewal of the St. Griede permit.
- With no response from the French Government by September 2019, the Company instructed its lawyers to lodge the matter in the French Tribunal for financial recovery.

PHILIPPINES

SERVICE CONTRACT 44 (100% working interest), Onshore Cebu

The Department of Energy confirmed tenure extension of SC 44 for two (2) years to September 2020. The SC 44 extension has been issued under Presidential Decree 87 (as amended) which addresses the need to fast track oil and gas exploration/development in the country. The extension requires a minimum US\$1.175 million be spent on deepening, completing and testing oil from Nuevo Malolos-1 with the drilling operations to commence by the end of September 2019.

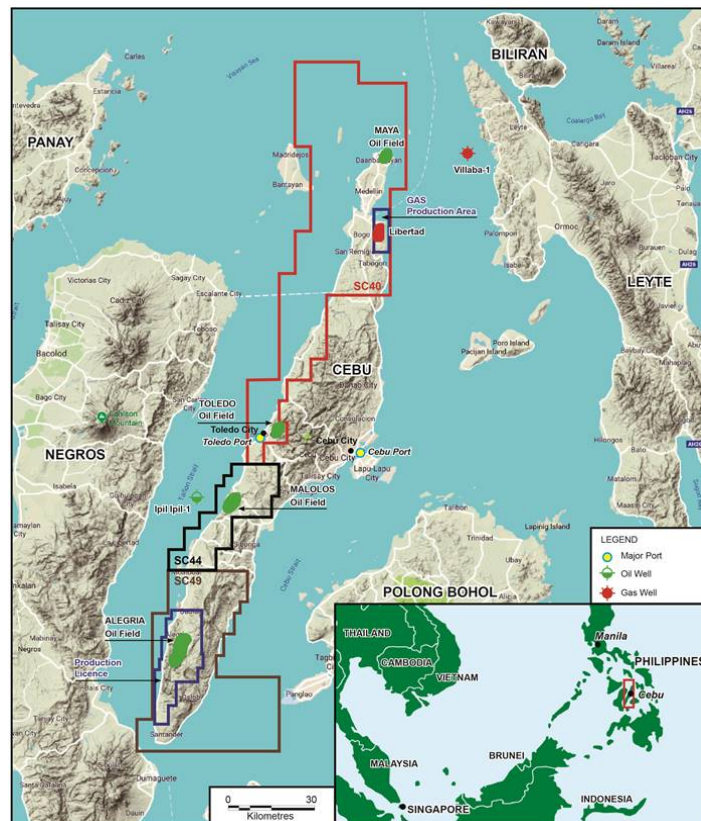
In early September 2019, the Company commenced site operations for the deepening, completing and testing oil from NM-1. Rig-2 maintenance and servicing has been completed. Rig-2 has also been moved from M-1 approximately 20 metres to the NMs-1 wellhead. Those operations lasted longer than planned partly due to heavy rainfalls which frequently interrupted operations having regards to

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safety of personnel and equipment. Rig-2 was dismantled and reassembled instead of being skidded as previously intended.

The Company has modified the previously planned drilling procedures at NM-1 to achieve target drilling results requiring much lesser expenditure. The forward plan is to squeeze the existing perforations in the 7 inch casing at NM-1 and then drill a pilot hole down to the two oil bearing sandstones. An open hole drill-stem test of the two oil sands will then be conducted. The decision to complete the well for extended oil flow testing will be dependent on the open hole test results.

Onshore, Cebu is rapidly becoming the focus of an emerging petroleum production region with the operator of SC 49 in the southern part of the island having been recently awarded a 25 year production licence. The SC 49 operator has discovered and is developing the Alegria oil field which produces oil and gas from the same sandstone reservoirs that are oil productive in SC 44. The Libertad gas field in SC 40, northern Cebu has already been awarded a 25 year production licence. The Philippine Government, both at regional and federal levels, are strongly supporting the oil and gas industry to meet the energy needs of the country.



Petroleum Service Contracts and Production Licences, Cebu Island, Philippines

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NEW VENTURES

The Company has identified certain oil and gas appraisal opportunities onshore Philippines which it is pursuing through technical evaluation and commercial negotiation. The Company has recommenced negotiations on one farmin opportunity. If negotiations are successfully concluded it would result in the drilling of new oil appraisal well(s) in 2020 using the Company owned drilling rig thus minimising cash outlays.

With management's many years of working experience in Philippines, new ventures in that country present good potential for the Company to generate growth in a relatively low cost environment with a supportive government and in short time frame whilst using the Company's 100% owned drilling rig to drill for equity.

FRANCE

ST. GRIEDE (100% working interest - not renewed), Onshore Aquitaine Basin

The Company has been in legal dispute with the French Government since 2015 following its refusal to renew the St Griede permit, located within the Aquitaine Basin, south of France, in accordance with the prevailing law.

Following an appeal in January 2017 by the French Government against a judgement that was in favour of the Company by the Pau Tribunal in November 2016, the Appeal Court of Bordeaux handed down a decision on 5th March, 2019 also in favour of the Company.

However, in light of the actions and legal process in the last 6 years to avail of its legal rights to renew the St Griede permit and the consequent introduction of new laws and the capital market's perception of the significant sovereign risk in France for oil and gas explorers the Company decided in April 2019 not to pursue further the renewal of the permit, which is likely to be resisted primarily driven by political interests of the French Government.

In July 2019 the Company, based on legal advice, lodged a €34.5 million (approximately A\$55 million) financial claim on the French Government for the unlawful non-renewal of the St. Griede permit. With no response from the French Government after two months have elapsed, the Company has instructed its French lawyers in September 2019 to lodge the claim in the French Tribunal.

SCHEDULE OF OIL AND GAS TENEMENT AT END OF QUARTER

LOCATION	TENEMENT NAME	HOLDER	INTEREST	ARE A	STATUS
Cebu Island, Philippines	Service Contract 44	Wholly owned subsidiary Gas2Grid Pte Ltd	100%	750 km ²	Expiry 3 September 2020

No tenement was acquired or disposed of during the quarter.

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The information on oil and gas projects in this report has been compiled by Dennis Morton, Managing Director of Gas2Grid Limited, who graduated with First Class Honours in Geology (Macquarie University) and has over 40 years' experience in the oil and gas industry.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(21)	(21)
(b) development		
(c) production		
(d) staff costs	-	-
(e) administration and corporate costs	(30)	(30)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST, forex differences, licence renewal costs)	(17)	(17)
1.9 Net cash from / (used in) operating activities	(70)	(70)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	339	339
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(5)	(5)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(31)	(31)
3.10 Net cash from / (used in) financing activities	303	303

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	502	502
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(70)	(70)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	303	303
4.5 Effect of movement in exchange rates on cash held	12	12
4.6 Cash and cash equivalents at end of period	747	747

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	529	179
5.2 Call deposits	218	323
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	747	502

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	8,700	8,097
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facilities are unsecured, bear interest at 9% per annum accruing quarterly in arrears and are provided by related parties of the 3 Directors of the Company (D Morton, D Munns and P Sam Yue):

	\$A'000
D Morton	5,250
D Munns	2,000
P Sam Yue	1,450

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	300

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 October 2019

Print name: Patrick Sam Yue

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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