GAS2GRID

Annual Report

For the year ended 30 June 2022

Gas2Grid Limited
ABN 46 112 138 780

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Corporate directory

Directors
David A Munns - Chairman
Dennis J Morton - Managing Director
Patrick W V M Sam Yue - Executive Director

Company Secretary
Patrick W V M Sam Yue

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ASX Code: GGX

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Stantons International Audit
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Level 2, 40 Kings Park Rd
West Perth WA 6005

Dear Shareholders,

Despite the negative impact on business caused by the Covid-19 pandemic during the 2022 financial year we have made some significant achievements in our business development and management plan.

In July 2021, a pro-rata non-renounceable offer of shares to all shareholders raised $158,805 cash. As the offer was fully underwritten by the Directors, the 1,992 million shortfall shares at deemed amount of $5.97 million were taken up by the Directors against the loans, interest and fees owing to them. That achieved the objective to substantially reduce the Company's financial liabilities.

The Department of Energy in Philippines continues to be unhelpful by not acknowledging Force Majeure we had invoked in March 2020 as provided for under Service Contract 44 and not responding to our invitation to amicably resolve the matter. Hence, we have no alternative but to refer the matter for arbitration by the International Chamber of Commerce as provided for under Service Contract 44.

Our claim lodged in January 2020 for damages of €34.5 million against the French Government for their unlawful actions in not renewing the St Griede permit came close to a decision when the Tribunal set a hearing date for 29 June 2022, but two days out from that hearing the tribunal vacated the date, without reason. We are yet to be advised of a new hearing date however, we are hopeful that it will be later this year.

We had been successful in our search for oil and gas projects having identified 4 projects that meet our criteria for potential joint venture participation, onshore Australia and all within the prospective Surat Basin and Cooper Basin.

We spent several months negotiating, drafting terms and conditions and completing due diligence for two Surat Basin areas. Unfortunately, we did not complete those farmins having regards to commercial matters that did not satisfy our requirements.

We executed a binding Term Sheet with the Santos Group for a joint venture in two exploration licences in the Cooper Basin. Due to the time frames associated with the licences, the parties have agreed the work commitments cannot be met and agreed to terminate the proposed farmin.

However, we are continuing discussions to seek alternative farmin opportunities in the Cooper Basin

Going forward we may consider diversifying some of our investment from fossil fuel into materials and technologies contributing to green energy generation as a step to manage our environmental and sustainability impact. Such investment may only be made in compliance with the ASX Listing Rules.

We thank our shareholders for their continued support while we await a hearing date from the French tribunal on our damages claim, a fair decision at the ICC with regards to SC 44 in Philippines and acquisition of new Australian projects.

David Munns
Chairman

29 September 2022

EXPLORATION

NEW VENTURES IN QUEENSLAND, AUSTRALIA

Following an extensive search for projects that meet criteria of low sovereign risk and locations close to ready markets for sale of oil and gas, the Company identified four projects available for farmin onshore Queensland Australia, two in the Surat Basin owned by Armour Energy (ASX:AJQ) ("AJQ") and two in the Cooper Basin owned by Santos Limited (ASX:STO) ("STO"). Both these opportunities displayed good potential for near term oil and gas production.

SURAT BASIN, ONSHORE QUEENSLAND

The AJQ projects were namely, Riverside Farmin Block and Myall-Bainbilla Farmin Block **(see Figure 1),** incorporating licences PL 22, PL 53, PL 227, ATP 647 and part of PL 511 (excluding any existing production wells and infrastructure)**.**

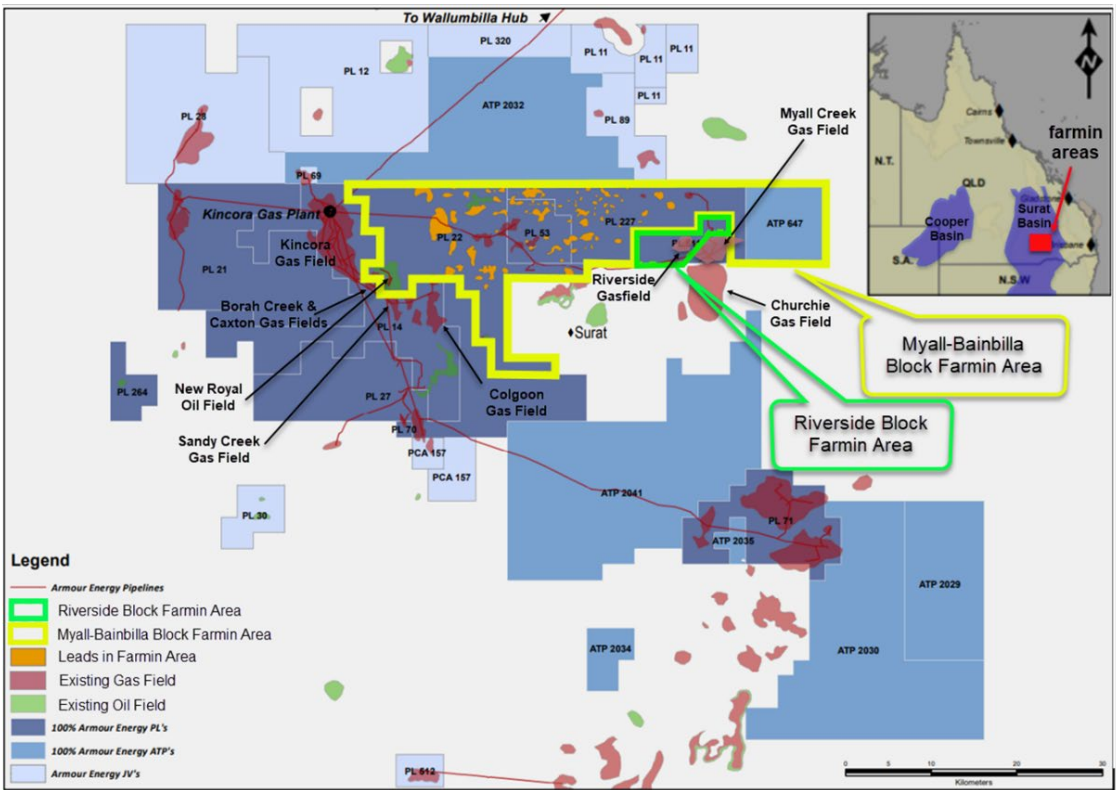

Figure 1: Location of Riverside Farmin Block and Myall-Bainbilla Farmin Block in Surat Basin

The Company's interest in these projects were driven by the relatively low risk and low cost opportunity to potentially produce gas in close proximity to existing, under-utilised, gas pipeline and processing infrastructure at a time when natural gas prices are very high in eastern Australia.

Managing Director Dennis Morton and consultant Chief Technical Officer Len Diekman, were previously part of teams that discovered and developed many of the existing oil and gas fields in the western Surat Basin area. The aim was to apply modern 3D seismic coverage over these areas in order to replicate the success experienced by other explorers in the recent decade where numerous oil and gas discoveries had been made using 3D seismic in mature areas of the Cooper Basin..

The Riverside Farmin Block, within part of PL 511, contained a well, Riverside-1 (1997) which had previously flowed gas to surface despite indicating signs of formation damage and it had never undergone remediation nor placed into long term production. It was assessed that a fracture stimulation over the gas bearing reservoirs might increase the gas flow rate. The Company had also planned to drill one well, Riverside North-1, considered to be a gas appraisal well and to be located on the northern structural high of an interpreted 480 acre closure – a reasonable sized structure.

With respect to the Myall-Bainbilla Farmin Block, incorporating PL 22, PL 53, PL 227, ATP 647, the Company's technical team interpreted excellent exploration potential for oil and gas to be trapped both structurally and stratigraphically within Permian, Triassic and Jurassic age sandstone reservoirs. Little new exploration drilling has been conducted in these licences since the 1990s. There is an existing 3D seismic survey coverage over the existing, large, Myall Creek-Churchie Gas Field. This gas field has produced about 50 BCF gas mainly from Permian age sandstones of the Tinowon Formation. There is also extensive 3D seismic coverage of the immediately surrounding areas, with part of those 3D surveys covering licences subject of the farmin transaction.

Part of the proposed farmin arrangement provided for the Company to fund processing the existing 3D data set within the farmin area with a focus on seismic inversion to highlight areas that could possibly contain good quality, gas charged sandstone reservoirs that are structural/stratigraphically trapped. The Company was also to fully fund part of the acquisition and processing of a new 3D seismic survey. Following completion of the seismic reprocessing the Company was to fund the drilling to basement of an exploration well to test for natural gas, and if economic, run production casing.

The farmin work program was be conducted over 2 years, 2022-2023, with a total cost that could have been in excess of $12 million.

On 22nd November, 2021 the Company executed a non-binding Heads of Agreement with AJQ to fund the seismic and drilling activities for a 50% participating interest in each of the Riverside Farmin Block and Myall-Bainbilla Farmin Block. After several months of drafting the proposed binding farmin terms and conditions and conducting due diligence the Company withdrew from the proposed farmin on 30th March, 2022 having been unable to finalise the transaction to its commercial satisfaction.

COOPER BASIN, ONSHORE QUEENSLAND

On 6th April, 2022, GGX Eromanga Pty Ltd, a wholly owned subsidiary of the Company, executed a binding Term Sheet with Santos QNT Pty Ltd ("**STO**"), a subsidiary of Santos Limited, to acquire under a joint venture 60% participating interest in each of two of STO's licences in the Cooper Basin, Queensland, ATP 1063 and ATP 1174. Subsequently both parties agreed for the joint venture to focus on exploration solely within ATP 1063.

ATP 1063 is located approximately 100 kms from existing oil and gas production infrastructure along the eastern edge of the Cooper Basin in southwest Queensland, in an area that contains underlying Permian sediments. ATP 1063 is located approximately 100 kms from existing oil and gas production infrastructure. The licence is at the exploration stage with several attractive structural leads identified by GGX.

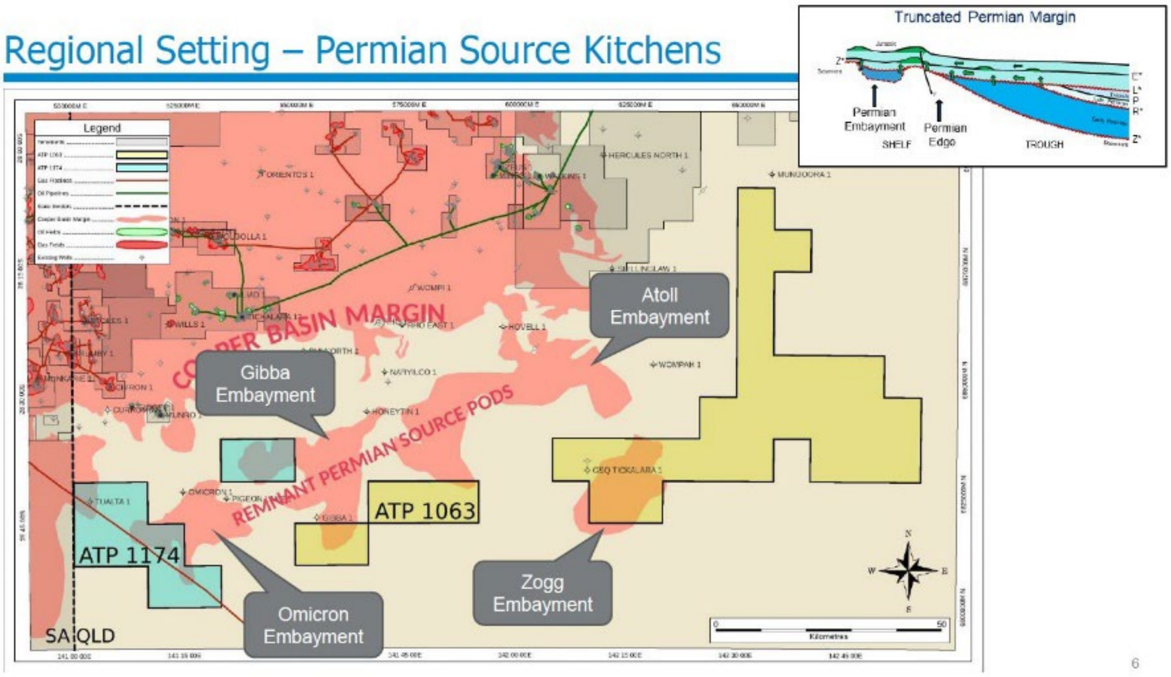

Figure 2 : Location of ATP 1063 and ATP 1174 in Cooper Basin

The Group's entry into the joint venture included the commitment to fund 100% costs to acquire 100kms 2D seismic data and drill one exploration well to basement or at least 1,800 metres. The parties have been working together to progress the work programme commitments.

In September 2022, due to the time frames associated with the licences both parties have agreed the commitments cannot be met and in September 2022 agreed to terminate the proposed farmin.

The Company is continuing discussions to seek alternative farmin opportunities in the Cooper Basin.

PHILIPPINES

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

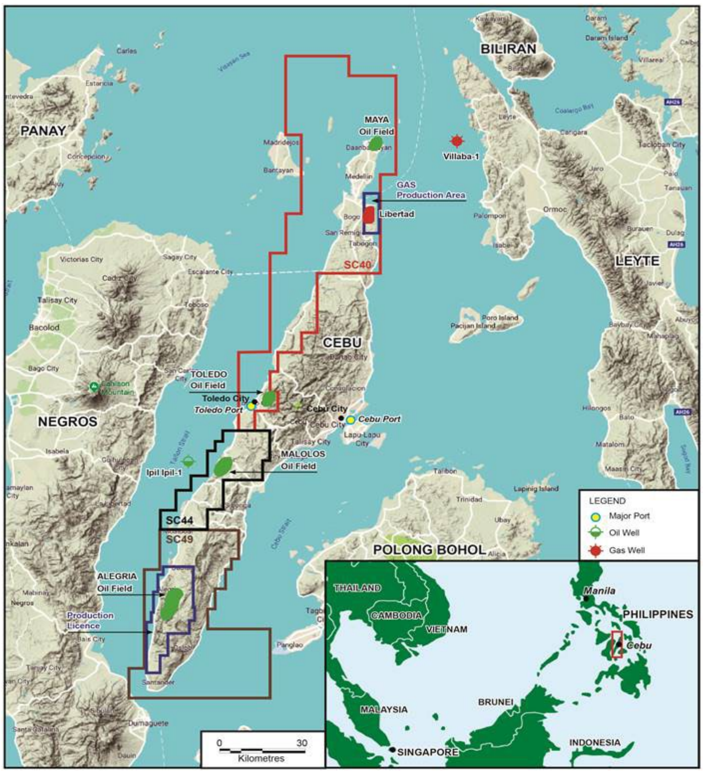

Figure 3: Location of Service Contract 44 in Philippines

In late 2019 the Company was in the process of drilling the Nuevo Malolos-1 Deepening when operations were suspended in response to Covid-19 sanctions imposed by the Philippine Government in March 2020.

As reported in previous periods, the Philippine Department of Energy ("DOE") in June, 2021 then wrongfully terminated Service Contract 44 ("SC 44") despite, the Company in March 2020 invoking the SC 44 *Force Majeure* provision. The Company had requested an extension of time to complete the Nuevo Malolos-1 deepening and testing operations beyond the Technical Moratorium extension term expiry date of 2nd September 2020. *Force Majeure* being a declaration of *State of Calamity throughout the Philippines Due to the Corona Virus 2019* and government sanctions on travel and people movements which lasted until 2022. On 27th September, 2021 the DOE reiterated its decision to terminate SC 44 following the Company's request for reconsideration of its decision.

SC 44 provides procedures for settlement of disputes in connection with the performance or interpretation of any provision of SC 44. Those procedures require the parties to first attempt settlement amicably any disputes through consultation before arbitration is sought. SC 44 provides that arbitration is conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce ("ICC"). The Company invited the DOE to discuss the possibility of amicably settling the matter, but no response was received. The Company 's lawyers in Manila have prepared the request for arbitration proceedings soon to be lodged at the ICC.

In the Company's view, having regards to the current oil price outlook and the need for energy in Philippines, the Malolos Oil Field remains an attractive investment for all stakeholders

FRANCE

LEGAL CLAIM: St. Griede, Onshore Aquitaine Basin

Legal Claim on unlawful non-renewal by the French Government of St Griede (100% working interest), Onshore Aquitaine Basin

Damages Claim

In early January 2020, the Company lodged at the Pau Tribunal, France, a claim of €34.35 million (A$52 million at 30 June 2022 exchange rate) for compensation against the French Government. This claim is in respect to the damages caused by the French Government in refusing, unlawfully as ruled by the French Courts, to renew the St Griede conventional hydrocarbon exploration permit in accordance with the prevailing mining law. The Company submitted its final statements to the Tribunal on the 26th November, 2021, the final deadline for all parties.

The Tribunal had set a hearing date for the 29th June, 2022. Two days before the hearing date the Tribunal advised a postponement of the hearing to a date to be advised. The Company is awaiting advice on the new hearing date.

Dispute on Penalties Paid by French Government to the Company

In August 2018, the French Government paid the Company €383,500 in penalties imposed by the Pau Tribunal in France in a judgement handed down on 5th July 2018. The penalties were in respect of delays by the French Government to grant a 5 year extension to the St Griede permit commencing from 3rd November 2016 as decided by the Pau Tribunal in November 2016.

The French Government after having paid the penalties lodged an appeal with the Court of Appeal of Bordeaux in September 2018 against the Pau Tribunal judgement of 5th July 2018. The Court of Appeal held a hearing on 17th November 2020 (not notified to the Company) and handed its decision on 15th December 2020 annulling the Pau Tribunal judgement of 5th July 2018.

In June 2021, the Company's French Lawyers lodged an appeal with the Conseil d'état of France (I.e., High Court) against the decision of the Court of Appeal of Bordeaux .

On 5 September 2022, the Company was advised that the Conseil d'état under its preliminary procedures has declined to admit the Company's appeal for a full hearing. The Company's lawyers in France are advising on further action that can be undertaken by the Company to protect its rights.

The decision of the Conseil d'état in this matter should have no bearing on the damages claim of €34.35 million described above.

Background

The St Griede permit in which the Company had 100% interest and located within the Aquitaine Basin in France was due for its first renewal in May 2013 after an initial 5 year term. With the terms and conditions of the work and expenditure commitments having been met for the first 5 year term, a renewal application for a second 5 year term was submitted in January 2013 in order to continue the work program towards the drilling of a well. Normally, a first renewal is expected as a matter of course if the initial commitments have been met. In September 2015, the French Government unlawfully decided not to grant the renewal.

Following an action in the Pau Tribunal in November 2015, a judgement was handed down in early November 2016 fully supporting the Company by annulling the September 2015 decision of the French Ministers refusing to grant renewal of the St Griede permit. The Tribunal also instructed the Ministers to grant, within 30 days, a 5 year extension to the St Griede permit commencing from 3rd November 2016. The Tribunal also ruled for a financial penalty on the French Government of €3,000 for each day after 3rd December 2016 that the grant of the permit extension is delayed.

Subsequently, following an action by the Company, in a judgement dated 5th July 2018 the Pau Tribunal imposed on the French Government penalties €383,500 and costs for their delays in implementing the November 2016 judgement. The penalties were paid to the Company in August 2018 and afterwards in September 2018 the French Government appealed against the payment with the Court of Appeal of Bordeaux (see paragraph "***Dispute on Penalties Paid by French Government to the Company")***

On 3rd January 2017, the French Government lodged an appeal at the Appeal Court of Bordeaux against the early November 2016 decision of the Tribunal for the renewal of the St Griede permit. While the appeal was on foot, on 23rd December 2017 the French Government issued a decree extending the St. Griede licence up until 31st May 2018. This extension was not in accordance with the November 2016 court directions and it provided the Company with only 5 months in which to complete a 5 year work program that was proposed on the application for renewal of the permit in 2013.

The Court of Appeal of Bordeaux handed down its decision on 5th March 2019 as follows:

- Annulment of the section of the judgment of November 2016 handed down by the Tribunal whereby the Ministers were directed to grant an extension of the St Griede permit for 5 years from the date of that judgement.

- The Ministers are urged to reconsider the request for an extension of the St Griede permit for a second 5 year period and to make a new decision within 2 months of the judgment of the Appeal Court.
- A penalty of €1,000 per day of delay for non-compliance by the Ministers to the period fixed by the present judgement.
- The Government to pay €2,000 to Gas2Grid Limited for costs.

The resistance of French Ministers to renew the St Griede permit over a 6 year period, the introduction of new laws that will shut down the petroleum exploration and production industry in France by 2040 and the capital market's perception of the significant sovereign risk created in France for oil and gas explorers compelled the Company to renounce its rights for the renewal of the permit in April 2019. The French sovereign risk discourages investors to fund any of the Company's potential oil and gas operations in France.

In early January 2020, the Company lodged at the Pau Tribunal in France, a claim for damages of €34.35 million against the French Government (see paragraph "***Damages Claim").***

The Company's success to date on the matter of unlawful non-renewal of the St Griede permit conducted in the Tribunal and Appeal Court dictates that the Company should pursue its legal rights in France.

While the Company believes there is a chance of success, based on legal advice, the nature and timing for the outcome are uncertain.

Competent Person

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.

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements.

Although Gas2Grid Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements

FINANCIAL ANALYSIS

Funding: Following closing of the non-renounceable 1 for 1 pro-rata entitlement offer on 1 July 2021 which raised $158,805 from subscriptions of 52,935,004 shares, the underwriters, being the 3 Directors, took up all the shortfall shares totalling 1,991,616,035 shares effective on 7 July 2021 for a deemed total amount of $5,974,848 of which $3,665,774 have been applied to the repayment of the loans from, and $2,309,074 have been applied to amounts owing to the Directors and their associates, thereby reducing the liabilities of the Company. The repayment of the loans of $3,665,774 in July 2021 reduced the loan facilities limit granted by the related companies of Directors, Budside Pty Ltd (D Morton), TD International SA (D Munns) and Oni Design Pty Ltd (P Sam Yue) from a total of $8,700,000 to $5,034,226. Under those facilities $1,434,375 have been drawn down from Budside Pty Ltd with a total of $3,599,851 remaining available to be drawn, The remaining facilities available to be drawn consist of $2,005,625 from Budside Pty Ltd, $854,226 from TD International SA and $740,000 from Oni Design Pty Ltd.

In June 2022, the period of availability of the loan facilities from the Directors' related companies and the repayment due date for amounts owing to the Directors (D Morton, D Munns and P Sam Yue) or their related companies were extended from 16 April 2023 to 16 April 2024 to ensure that the Company is sufficiently funded for operations. The Directors and their related companies have also agreed that the loan from and amounts owing to them to be non-interest bearing effective 1 July 2021 with no charge for establishment fees.

To seek remedies regarding its projects in Philippines, pursue legal actions with respect to the St Griede permit in France and acquire new projects in Australia or elsewhere while the Group has no revenue producing assets, the Group requires regular injection of funds.

The absence of guarantee in sourcing new funds for the Group's future activities presents a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. This going concern issue is further discussed in Note 27(a)(iv) to the Financial Statements and is subject to material uncertainty in the auditor's audit report.

To continue the business activities and to meet its financial commitments as and when they fall due the Company will be pursuing sources of finance that include:

- draw down under the loan facilities from the Directors' related companies; and
- undertaking new capital raisings.

Performance: During the year the Group made a profit of $1,925,142 which arose mainly from a fair value gain of $1,991,616 on the conversion of financial liabilities into equity when shortfall shares were issued on 7 July 2021 from the underwriting of the non-renounceable 1 for 1 entitlement offer that closed on 1 July 2021 and the amortisation gain on the net present values of interest free loans and non-current payables due on 16 April 2024.

Financial Position: Total negative equity decreased from $10,987,147 to $4,900,709 primarily as a result of completion of the fully underwritten 1 for 1 pro-rata entitlement offer in July 2021 and the related fair value gain, amortisation of the net present values of interest free loans and non-current payables and continuing loss from operations.

Cash at 30 June 2022 was $1,578,285, a decrease from the 30 June 2021 balance of $2,293,420 as a result of operations during the year. Current assets were $1,589,056 (2021: $2,332,690) consisting primarily of cash and cash equivalents.

Current liabilities were $1,679,085, a decrease from 30 June 2021 amount of $13,323,674 mainly from subscriptions of shortfall shares by the Directors and their associates in the pro-rata entitlement issue in July 2021 and the extension in June 2022 of the due date for repayment of the related party payables and loans to 16 April 2024.

Cash Flows: Operating activities resulted in net outflow of $768,245 (2021: outflow $369,482) as the Group is still in the exploration phase with no revenue. This outflow was funded from existing cash on hand and from cash proceeds from the non-renounceable pro-rata entitlement offer during the year.

COVID-19

The Covid-19 pandemic has continued to impact negatively on business operations during the financial year. International travel has been restricted and border closures have been in place until recently. Australia based personnel has been unable to travel to Philippines to inspect the operations sites or meet with Government officials. The court process in France may also have been slowed. However, activities recovered to reasonable levels towards the end of the financial year.

The Group has taken a number of measures to contain the possible impact of Covid-19 on the safety and health of its Directors, employees and contractors (for example, use of sanitiser, social distancing, working from home where possible and suspension of field operations).

Operations may be impaired should its Directors, employees, contractors and/or service providers contract the virus that disable them for long periods to operate normally. To date entities associated with the Group have not been affected by the virus.

EXTERNAL FACTORS AND MATERIAL RISKS ON OPERATIONS

In addition to risks described elsewhere in this Annual Report (Covid-19 pandemic described above, financial and funding described above and in Note 18 to the financial statements) other key risks to which the Group is exposed in its current business and operations are summarised as follows:

- *Key personnel:* The Group's ability to execute its activities depends in retention of key team members to implement the business plan. There has been no disruption in personnel availability for the Group's activities.
- *Changes in global economic and geopolitical conditions:* The Group's business is dependent on economic conditions including inflation, interest rates, consumer confidence, access to funds and government fiscal, monetary and regulatory policies. During the year, the Group has not experienced adverse impacts on its operations as a result of changes in economic and geopolitical conditions.
- *Health and safety:* The Group's operations expose its personnel and contractors to health and safety risks inherent in oil and gas exploration that could subject the Group to extensive liability under health and safety laws and regulations. During the year, there has been no adverse event in that respect.
- *Climatic*: Adverse climatic conditions e.g. rain and floods during the year have not affected the Group's activities during the year.
- *Information technology and cyber security*: The Group's information technology systems are protected by security measures but unauthorised third party access to these systems for theft of information or disruption of the operations could adversely impact business performance. There has been no event of security breaches during the year.
- *Risks of foreign operations and litigation:* The Group invests in France and the Philippines where there may be risks arising out of foreign governmental sovereignty and in being subject to the exclusive jurisdiction of foreign courts in addition to risks usually present in Australian operations. The Group has been progressing claims in the French courts against the French Government with respect to their not renewing the St Griede permit in disregard to local mining law. The Group is also preparing for arbitration proceedings at the International Chamber of Commerce against the Philippines Government for wrongfully cancelling the Service Contract 44 during the Covid-19 pandemic. During the year, the costs of those disputes have been contained and manageable with existing cash resources. Note 12 to the financial statements disclose the provision made for a potential refund of penalties that had been paid to the Company by the French Government which later appealed the judgement.

STRATEGY AND PROSPECTS FOR FUTURE

The Group has been pursuing new venture opportunities in oil and gas exploration in Australia, seeking remedies to protect its interest in Philippines against the wrongful termination of SC 44 by DOE, and the recovery of financial claim for the investment made in the St Griede permit in France. However, no indication as to likely developments in the future can be given due to the uncertainties usually associated with exploration ventures, the remedies available on the termination of SC 44 and the court decision on the legal claim.

Future financial performance will be driven by success in the following:

(a) acquiring new investment opportunities in Australia;

(b) financial recovery from the claim made to the French Government on the unlawful non-renewal of the St Griede permit; and

(c) remedies available against the termination of SC 44 by DOE.

To carry out those above activities the Group will require funding which may be by equity issues or debt or a combination of both. The method of funding will be determined at the appropriate time as part of the Group's capital management in maintaining a capital structure that incurs a reasonable cost of capital and benefits all shareholders

CORPORATE GOVERNANCE STATEMENT

A table on Corporate Governance Statement setting out the extent to which the Group has followed the recommendations of the ASX Corporate Governance Principles and Recommendations – 4th edition and the Corporate Governance Statement are posted on the Group's website for reference on disclosures (www.gas2grid.com/corporate-governance/).

Directors' report

Your Directors present their report on the consolidated entity ("the Group") consisting of Gas2Grid Limited and the entities it controlled at the end of, or during the year ended 30 June 2022.

Directors

The following persons were Directors of Gas2Grid Limited during the whole of the financial year and up to the date of this report:

David A Munns

Dennis J Morton

Patrick W V M Sam Yue

Principal activities

During the year the principal continuing activities of the Group consisted of pursuing new venture opportunities in Australia, the financial claim against the French Government for the non-renewal of its licence in France and remedies on the cancellation of SC 44 by the Philippines Government.

Operating and financial review

Review of Operations and Financial Performance

A detailed review of operations and financial performance for the financial year is set out on pages 2 to 10.

Dividends – Gas2Grid Limited

The Directors report that during the year ended 30 June 2022 no dividends were declared or paid (2021: $nil).

Matters subsequent to the end of the financial year

There has not arisen in the interval since 30 June 2022 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years other than the following:

- On 5 September 2022, the Conseil d'etat in France declined a full hearing of the appeal lodged by the Company in June 2021 against the December 2020 decision of the Court of Appeal of Bordeaux that annulled the award to the Company by the Pau Tribunal in July 2018 of €383,500 penalty. That penalty has been paid to the Company in August 2018 by the French Government before they lodged their appeal in September 2018. The penalty was in respect of delays by the French Government to grant an extension to the St Griede permit from November 2016. The lawyers in France are advising on further action that can be taken by the Company to protect its rights. See Note 13 on the amount provided for a refund of the penalty received; and

- On 21 September 2022, the Company and Santos Limited ("STO") agreed to terminate the Company's proposed farmin in STO's licences in the Cooper Basin, Queensland, ATP 1063 and ATP 1174. The Company is continuing discussions to seek alternative farmin opportunities in the Cooper Basin.

Likely developments and expected results of operations

In relation to the Group's oil and gas investment activities, no indication as to likely results in the future can be given due to the uncertainties usually associated with such activities, on timing in acquisition of new licence interests, on likely remedies for the DOE's wrongful termination of SC 44, and of the impact of the Covid-19 pandemic. The Group proposes to continue in oil and gas exploration activities that are set out on pages 2 to 10. The Company may consider investment in alternative energy materials and technologies to counter some of its fossil fuel investment as a step to manage its environmental and sustainability impact. Such investment may only be made in compliance with the ASX Listing Rules.

Environmental regulation

The Group is required to carry out its activities in accordance with applicable regulations in each of the jurisdictions in which it undertakes its exploration activities. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Information on Directors

David A Munns, Bachelor in Mechanical Engineering (Peterborough Technical College, United Kingdom) Chairman – Non-executive – Appointed on 22 December 2004.

Experience and expertise
David Munns has wide experience in drilling and engineering operations in South East Asia and particularly in the Philippines. He is the Chairman of Desco, Philippines – a drilling and engineering firm operating in the field of conventional and geothermal drilling.

Other listed company directorships
None.

Former directorships of listed companies in the last 3 years
None.

Special responsibilities
Chairman of the Board.

Interest in shares and options
757,827,969 ordinary shares in Gas2Grid Limited.

Dennis J Morton BSc (Hons), (Macquarie University) Managing Director – Appointed on 31 March 2008.

Experience and expertise
Dennis Morton was co-founder and until late 2007 Managing Director of Eastern Star Gas Limited. He has extensive experience in the management of oil and gas exploration entities. He was previously in senior executive positions with Bow Valley (Australia) Ltd, Capital Energy Limited, Hartogen Energy Limited, and Esso Australia Limited.

Other listed company directorships
Jade Gas Holdings Limited (formerly High Grade Metals Ltd) (appointed Non-Executive Director on 7 July 2020 and Non-Executive Chairman on 14 December 2021)

Former directorships of listed companies in last 3 years
None.

Special responsibilities
Managing Director (since 31 March 2008).

Interest in shares and options
816,954,858 ordinary shares in Gas2Grid Limited.

Patrick W V M Sam Yue, CA, FGIA, FCG, F Fin. Executive Director – Appointed on 9 October 2009.

Experience and expertise
Patrick Sam Yue had several years' experience in international accounting and finance working in the United Kingdom, Africa and the Middle-East before he joined the finance industry in Australia in 1985 prior to moving to the resources industry. He has over 30 years' experience in financial and corporate management in Australia having held senior executive and company secretary positions with ASX listed entities in the oil and gas and minerals industry.

Other listed company directorships
None.

Former directorships of listed companies in last 3 years
None.

Special responsibilities
Chief Financial Officer.

Interest in shares and options
425,182,998 ordinary shares in Gas2Grid Limited.

Company Secretary

The Company Secretary is Mr Patrick W V M Sam Yue, a Chartered Accountant, Fellow of the Governance Institute of Australia, Fellow of the Chartered Institute of Secretaries and Administrators and Fellow of the Financial Services Institute of Australasia and is also an Executive Director.

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director:-

	Directors' meetings	
	Number eligible to attend	**Number attended**
D A Munns	-	-
D J Morton	-	-
P W V M Sam Yue	-	-

During the year, Board business was effected by execution of circulated resolutions.

Remuneration report (Audited)

The Remuneration Report is set out under the following main headings:

(a) Principles used to determine the nature and amount of remuneration;
(b) Details of remuneration;
(c) Service agreements;
(d) Share-based compensation;
(e) Equity instruments held by key management personnel;
(f) Loans from key management personnel or their related entities;
(g) Other transactions with key management personnel; and
(h) Additional information.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

(a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure that reward for performance is competitive and appropriate.
During the year ended 30 June 2022, the Group did not have a separate remuneration committee. Instead, the duties and responsibilities typically delegated to such a committee were considered to be the responsibility of the entire Board.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

Use of remuneration consultants

No remuneration consultants were used during the year.

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2017. Director's fees are determined within an aggregate fee pool limit, which currently stands at $150,000 per annum. That limit shall not be increased except pursuant to a resolution passed at a general meeting of the Company.

Base fees per annum	**From 1 July 2017**
Chairman	$35,000
Other Directors (each)	$25,000

Additional fees

In addition to base Director's fees, Dennis Morton and Patrick Sam Yue receive monthly management fees of $10,000 and $8,000 respectively for additional technical, corporate and administrative duties performed on a regular basis.

(b) Details of remuneration

Amounts of remuneration

The following tables show details of the remuneration received by the Directors and the key management personnel of the Group for the current and previous financial year.

	Short-term employee benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments		% of remuneration that is performance based
Name	**Salary and fees**	**Cash bonus**	**Non-monetary benefits**	**Superannuation**				**Total**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
2022									
Executive Directors									
D J Morton[1]	145,000[1]	-	-	-	-	-	-	145,000	-
P WVM Sam Yue[2]	121,000[2]	-	-	-	-	-	-	121,000	-
Non-executive Director									
D A Munns[3]	35,000[3]	-	-	-	-	-	-	35,000	-
Total	301,000	-	-	-	-	-	-	301,000	-

[1]$12,083 paid after balance date
[2] $10,083 paid after balance date
[3] $2,917 paid after balance date

Name	Short-term employee benefits: Salary and fees	Short-term employee benefits: Cash bonus	Short-term employee benefits: Non-monetary benefits	Post-employment benefits: Superannuation	Long-term benefits	Termination benefits	Share-based payments	Total	% of remuneration that is performance based
	$	$	$	$	$	$	$	$	%
2021									
Executive Directors									
D J Morton[1,4]	145,000[1,4]	-	-	-	-	-	-	145,000	-
P WVM Sam Yue[2]	121,000[2]	-	-	-	-	-	-	121,000	-
Non-executive Director									
D A Munns[3]	35,000[3]	-	-	-	-	-	-	35,000	-
Total	301,000	-	-	-	-	-	-	301,000	-

[1] The Director agreed to defer payment of $96,667 of the 2021 fees to 16 April 2022. $36,250 paid in the year; $12,083 paid after balance date.
[2] The Director agreed to defer payment of $80,667 of the 2021 fees to 16 April 2022. $14,250 paid in the year, $26,083 paid after balance date.
[3] The Director agreed to defer payment of $23,333 of the 2021 fees to 16 April 2022. $11,667 paid after balance date.
[4] $15,000 of the management fees were accounted for in exploration and evaluation expenditure.
In September 2021, the due date of the amounts owing to the Directors and their associates was extended from 16 April 2022 to 16 April 2023.

(c) Service agreements

As at the date of this report, there are no service agreements with the Directors.

(d) Share-based compensation

Employee Incentive Plan ("EIP")

The Company has established a Gas2Grid Limited Employee Incentive Plan under which the Directors may offer options for free and ordinary shares at market price in the Company to eligible persons. The Directors may also offer interest free non-recourse loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares. The loans are repayable at the option of the eligible persons to be able to deal with the shares. The options are issued free at grant. The shares may not be subscribed for less than the market value of the shares at the time an offer is made under the plan.

Subject to approval of shareholders, Directors may also be offered shares with non-recourse loans or options under the plan as a long-term benefit supplementing the short-term benefits that align their interests with those of all shareholders. The non-recourse loans outstanding to Directors at 30 June 2022 are disclosed under section (i) below.

No EIP shares were issued to Directors during the year.

(e) Equity instruments held by key management personnel

The table below show the number of shares in the Company that were held by key management personnel of the Group, including their close family members and entities related to them:

2022	Balance at beginning of year	Granted during the year as compensation	EIP shares issued in November 2015 surrendered during the year	Other changes (including underwritten shortfall shares)	Balance at end of year
Directors of Gas2Grid Limited					
D A Munns (i)	60,762,973	-	-	697,064,996	757,827,969
D J Morton (ii)	213,621,525	-	-	603,333,333	816,954,858
P W V M Sam Yue (iii)	118,591,999	-	(12,000,000)	318,590,999	425,182,998

i. 707,331,376 shares are registered in the name of TD International SA. 1,000,000 shares are registered in the name of Ann Patricia Munns.
ii. 55,260,843 shares are registered in the name of Budside Pty Limited <Employees Superannuation Fund>. 655,424,350 shares are registered in the name of Budside Pty Ltd.
iii. 401,181,998 shares are registered in the name of Lamdian Pty Ltd ATF Samyue Super Fund.

2021	Balance at beginning of year	Granted during the year as compensation	EIP shares issued in November 2014 surrendered during the year	Other changes	Balance at end of year
Directors of Gas2Grid Limited					
D A Munns (i)	60,762,973	-	-	-	60,762,973
D J Morton (ii)	213,621,525	-	-	-	213,621,525
P W V M Sam Yue (iii)	130,591,999	-	(12,000,000)	-	118,591,999

i. 10,266,380 shares are registered in the name of TD International SA. 1,000,000 shares are registered in the name of Ann Patricia Munns.
ii. 55,260,843 shares are registered in the name of Budside Pty Limited <Employees Superannuation Fund>. 52,091,017 shares are registered in the name of Budside Pty Ltd.
iii. 82,590,999 shares are registered in the name of Lamdian Pty Ltd ATF Samyue Super Fund.

Additional information

(f) Loans from key management personnel and their related entities covered under loan facility agreements

	At beginning of year	Loan principal received	Loan principal converted to equity	At end of year	Total loan facilities available at end of year
	$	$	$	$	$
2022					
D A Munns	1,145,774	-	(1,145,774)	-	854,226
D J Morton	3,244,375	-	(1,810,000)	1,434,375[1]	3,440,000
P W V M Sam Yue	710,000	-	(710,000)	-	740,000
	5,100,149	-	3,665,774	1,434,375	5,034,226

[1] This amount represents the contractual settlement amount at balance date. The balance owing in Note 12 of the financial report includes the gain on borrowings at amortised cost arising from the difference between the net present value of the interest-free borrowings to be settled on 16 April 2024.

On 7 July 2021, loans were converted to equity in the amounts of $1,145,774 for D A Munns, $1,810,000 for D J Morton and $710,000 for P W M Sam Yue totalling $3,665,774 on their taking up of underwritten shortfall shares. The loan facilities were correspondingly reduced to $5,034,226 as there is no redraw facility of amounts repaid. On 28 June 2022, the Directors agreed to extend the maturity date of the facilities as at 30 June 2022 totalling $5,034,226 from 16 April 2023 to 16 April 2024 with $1,434,375 drawn from D J Morton and a total of $3,599,851 not drawn. From 1 July 2021 the loans are interest free and no establishment fee is applicable.

	At beginning of year	Loan principal received	Loan principal repaid	At end of year	Total loan facilities available at end of year
	$	$	$	$	$
2021					
D A Munns	1,145,774	-	-	1,145,774	2,000,000
D J Morton	3,244,375	-	-	3,244,375	5,250,000
P W V M Sam Yue	710,000	-	-	710,000	1,450,000
	5,100,149	-	-	5,100,149	8,700,000

On 30 June 2021, the expiry date of the facilities was 16 April 2023. Until 30 June 2021 an establishment fee of 1% of the facility amount was payable on agreement of an increase or extension of the facilities.

(g) Summary of Directors' and management fees and accrued finance cost payable to Directors and their related entities for the year

	2022	2021
	$	$
Management fees to the following entities recognised as expense		
Budside Pty Ltd[1]	120,000	105,000
Oni Design Pty Ltd[2]	96,000	96,000
	216,000	201,000

[1] Related entity of Director D J Morton
[2] Related entity of Director P W V M Sam Yue

	2022	2021
Management fees to the following entities recognised in exploration and evaluation expenditure		
Budside Pty Ltd	-	15,000
Directors' fees recognised as expense		
Budside Pty Ltd	25,000	25,000
Oni Design Pty Ltd	25,000	25,000
David Munns	35,000	35,000
	85,000	85,000
Accrued finance costs on fees and loans for the year		
Budside Pty Ltd (on fees and loans owing)	-	376,872
Oni Design Pty Ltd (on fees and loans owing)	-	134,930
David Munns (on fees owing)	-	20,542
TD International SA[3] (on loans owing))	-	103,120
	-	635,464

[3] Related entity of Director D A Munns

Accrued interest at the rate of 9% per annum on Directors' fees (exclusive of GST) was compounded quarterly in arrears until 30 June 2021. From 1 July 2021, the loans and amounts owing for fees are interest free.

	2022	2021
Management and Directors' fees, loans establishment fees and accrued finance costs owing at balance date – Non current at 30/06/22 and Current at 30/06/2021		
Budside Pty Ltd (fees inclusive of GST)	849,458	862,750
Budside Pty Ltd (establishment fees and accrued interest on fees and loans)	2,984,257	2,984,256
Oni Design Pty Ltd (fees inclusive of GST)	38,897	734,525
Oni Design Pty Ltd (establishment fees and accrued interest on fees and loans)	-	757,348
David Munns (fees)	175,212	201,250
David Munns (accrued finance costs on fees)	37,446	59,237
TD International SA[3] (establishment fees and accrued interest on loans)	-	923,630
	4,085,270	6,522,996

On 28 June 2022, the maturity date of the balance of amounts owing to the Directors and their associates was extended from 16 April 2023 to 16 April 2024. No payment has been made post balance date.

	2022 $	2021 $
(h) Underwriting fees payable (2021: accrued) at balance date for non-renounceable entitlement offer that closed on 1 July 2021		
Budside Pty Ltd	49,102	70,148
Oni Design Pty Ltd	72,147	103,073
TD International SA	-	114,534
	121,249	287,755

(i) Underwriting of 1 for 1 non-renounceable entitlement offer that closed on 1 July 2021

In May 2021, the associates of the Directors agreed to fully underwrite the 1 for 1 non-renounceable entitlement offer up to a total amount of $6,133,633. The offer closed on 1 July 2021 and the underwriters took up all the shortfall shares totalling 1,991,616,035 shares for a deemed total amount of $5,974,848 which have been applied to the repayment of loans from and amounts owing to the underwriters and their associates. The number of shares issued to associates of the Directors and the amounts applied to loan repayments and amounts owing to them were as follows:

	Number of shares	$
Budside Pty Ltd	603,333,333	1,810,000
Oni Design Pty Ltd	691,217,706	2,073,653
TD International SA	697,064,996	2,091,195
	1,991,616,035	5,974,848

Loans to Directors

There are no outstanding loans to Directors and no loans have been issued during the year, other than non-recourse loans structured under the Employee Incentive Plan (EIP). At balance date, the EIP shares relating to non-recourse loans to Directors were exercisable at $0.008 per share as follows:

Loan expiry date	2022 EIP shares	2021 EIP shares	2022 $	2021 $
Patrick WVM Sam Yue:				
1 December 2021[1]	-	12,000,000	-	96,000
4 December 2022	12,000,000	12,000,000	96,000	96,000
20 January 2024	12,000,000	12,000,000	96,000	96,000
	24,000,000	36,000,000	192,000	288,000

[1] The EIP shares were surrendered to the Company on 3 December 2021 and the loan extinguished.

End of audited Remuneration Report

Shares under option

Nil.

Indemnification of officers or auditors

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and officers of the Group against a liability incurred as such a Director or officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify a former officer or auditor of the Group against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There has been no provision of non-audit services by the auditor during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22.

This report is made in accordance with a resolution of Directors.

Dennis J Morton
Director

Sydney
29 September 2022

Stantons

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29 September 2022

Board of Directors
Gas2Grid Limited
World Tower
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000

Dear Directors

RE: GAS2GRID LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gas2Grid Limited.

As Audit Director for the audit of the financial statements of Gas2Grid Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Marin Michalik
Director

Gas2Grid Limited ABN 46 112 138 780
Financial Report for the year ended 30 June 2022

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Gas2Grid Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Gas2Grid Limited is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 13, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 29 September 2022. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, the Directors have ensured that the Company's corporate reporting is timely, complete, and available globally. All public releases, financial reports and other information are available on the Company's website: www.gas2grid.com.

	Notes	2022 $	2021 $
Other income			
Interest		200	124
Fair value gain on extinguishment of financial liabilities	14(b)	1,991,616	-
Gain on financial liabilities at amortised cost	2	708,965	-
		2,700,781	124
Expenses			
Administration expenses		(175,235)	(235,954)
Auditor's remuneration	23	(35,165)	(27,721)
Management and Directors fees	20	(301,000)	(286,000)
Depreciation	8,9	(3,837)	(22,827)
Finance costs	3	(20)	(636,131)
Impairment of exploration and evaluation expenditure		-	(39,835)
Insurance costs		(18,950)	(29,272)
Licences renewal costs		(69,139)	(58,936)
New projects and farmins evaluation		(149,585)	-
Provision for refund of penalties received	13	-	(622,200)
Rental expenses		(21,142)	(11,297)
Net foreign exchange (loss)/gain		(1,566)	35,382
Profit/(Loss) before income tax		1,925,142	(1,934,667)
Income tax expense	4	-	-
Profit/(Loss) from continuing operations		1,925,142	(1,934,667)
Other comprehensive income		-	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive profit/(loss) for the year		1,925,142	(1,934,667)
Profit/(Loss) for the year attributable to the owners of Gas2Grid Limited		1,925,142	(1,934,667)
Total comprehensive profit/(loss) for the year attributable to owners of Gas2Grid Limited		1,925,142	(1,934,667)
Earnings/(Loss) per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic and diluted earnings/(loss) per share	24	0.05	(0.12)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	5	1,578,285	2,293,420
Trade and other receivables	6	-	18,846
Other assets	7	10,771	20,424
Total current assets		1,589,056	2,332,690
Non-current assets			
Property, plant and equipment	8	-	99
Right of use assets	9	-	3,738
Total non-current assets		-	3,837
Total assets		1,589,056	2,336,527
LIABILITIES			
Current liabilities			
Trade and other payables	10	882,585	7,397,445
Lease liabilities	11	-	3,880
Borrowings	12	-	5,100,149
Provisions	13	796,500	822,200
Total current liabilities		1,679,085	13,323,674
Non-current liabilities			
Trade and other payables	10	3,560,880	-
Borrowings	12	1,249,800	-
Total non-current liabilities		4,810,680	-
Total liabilities		6,489,765	13,323,674
Net liabilities		(4,900,709)	(10,987,147)
EQUITY			
Contributed equity	14	38,943,696	34,782,400
Reserves	15(a)	319,802	319,802
Accumulated losses	15(b)	(44,164,207)	(46,089,349)
Total deficit		(4,900,709)	(10,987,147)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Contributed Equity $	Accumulated Losses $	Reserves $	Total Equity/(Deficit) $
Balance at 1 July 2020	32,687,607	(44,154,682)	319,802	(11,147,273)
Total comprehensive loss for the year	-	(1,934,667)	-	(1,934,667)
Transactions with owners in their capacity as owners:				
Transaction costs on contributions of equity	2,094,793	-	-	2,094,793
Balance at 30 June 2021	34,782,400	(46,089,349)	319,802	(10,987,147)
Total comprehensive profit for the year	-	1,925,142	-	1,925,142
Transactions with owners in their capacity as owners:				
Contribution of equity, net of transaction costs	4,161,296	-	-	4,161,296
Balance at 30 June 2022	38,943,696	(44,164,207)	319,802	(4,900,709)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2022 $	2021 $
Cash flows from operating activities			
Interest received		200	124
Payments to suppliers and employees (inclusive of goods and services tax)		(768,445)	(369,606)
Net cash (outflow) from operating activities	16	(768,245)	(369,482)
Cash flows from investing activities			
Payments for exploration expenditure		-	(43,374)
Net cash (outflow) from investing activities		-	(43,374)
Cash flows from financing activities			
Proceeds from issue of shares		182,805	2,612,000
Share transaction costs		(128,939)	(191,589)
Payments for lease liabilities		-	(22,713)
Interest paid		-	(667)
Net cash inflow from financing activities		53,866	2,397,031
Net (decrease)/increase in cash and cash equivalents		(714,379)	1,984,175
Cash and cash equivalents at the beginning of year		2,293,420	310,994
Effects of exchange rate changes on cash and cash equivalents		(756)	(1,749)
Cash and cash equivalents at end of year	5	1,578,285	2,293,420

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Segment information

The Group operates a petroleum exploration business performing geological and geophysical studies, exploratory drilling of wells and seismic surveys in the Philippines, with operations suspended under Force Majeure during the financial year due to Covid-19 sanctions. Until 2015 the Group has been carrying out exploration in the Aquitaine Basin in France and the Group has been in legal dispute with the French Government when they declined to renew the permit in 2015 resulting in the lodging of a claim for damages in French court in 2020. The Group manages these activities from its head office in Sydney, Australia, a branch office in Manila, Philippines and an office in Singapore.

	Australia $	France $	Philippines $	Total $
2022				
Interest and other income				
Interest income	189	-	11	200
Fair value gain on extinguishment of financial liabilities	1,991,616	-	-	1,991,616
Gain on financial liabilities at amortised cost	708,965	-	-	708,965
Total segment revenues	2,700,770	-	11	2,700,781
Segment results				
Profit/(Loss) for the year	1,994,271	-	(69,129)	1,925,142
Including:				
Depreciation	(3,837)	-	-	(3,837)
Segment assets	1,574,417	-	14,639	1,589,056
Segment liabilities	5,173,752	596,500	719,513	6,489,765
2021				
Interest and other income				
Interest income	124	-	-	124
Total segment revenues	124	-	-	124
Segment results				
(Loss) for the year	(1,194,269)	(641,627)	(98,771)	(1,934,667)
Including:				
Depreciation	(22,827)	-	-	(22,827)
Impairment of exploration expenditure	-	-	(39,835)	(39,835)
Segment assets	2,335,327	-	1,200	2,336,527
Segment liabilities	11,999,336	634,711	689,627	13,323,674

2. Gain on financial liabilities at amortised cost

	2022 $	2021 $
Gain on non-current trade and other payables (see Note 10)	524,390	-
Gain on non-current borrowings (see Note 12)	184,575	-
	708,965	-

3. Finance costs

	2022 $	2021 $
Finance costs for the year on amounts owing to Directors	-	635,464
Lease interest	20	667
	20	636,131

4. Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2022 $	2021 $
Profit/(Loss) from continuing operations before income tax expense	1,925,142	(1,934,667)
Tax at Australian tax rate of 30% (2021 – 30%)	577,543	(580,400)
Tax effect of:		
Non-temporary differences	(783,130)	50,459
Equity raising costs debited to equity	(32,918)	(32,634)
Tax losses and temporary differences not recognised	238,505	562,575
Income tax expense	-	-

(b) Tax losses

	2022 $	2021 $
Unused tax losses for which no deferred tax asset has been recognised	(19,813,054)	(16,643,314)
Potential tax benefit @ 30% (2021 – 30%)	(5,940,916)	(4,992,994)

The taxation benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefits from the deductions for the loss.

The Group tax consolidated in July 2015. There are presently no tax sharing agreement in place. The Parent Entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward.

The Directors are of the view that there is insufficient probability that the Parent Entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

5. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and in hand	1,578,285	2,293,420

6. Trade and other receivables

	2022 $	2021 $
Other receivables	-	18,846

Credit risk

There is no significant credit risk with respect to other receivables. There are no debtors or other receivables that are considered past due.

7. Other assets

	2022 $	2021 $
Current		
Prepayments	10,771	20,424

8. Property, plant and equipment

	2022 $	2021 $
Office equipment		
Cost: at beginning and end of year	1,191	1,191
Depreciation at beginning of year	1,092	695
Depreciation charge	99	397
Depreciation at end of year	1,191	1,092
Carrying amount at end of year	-	99

9. Right of use assets

	2022 $	2021 $
Lease asset		
Cost at beginning and end of year	44,859	44,859
Depreciation:at beginning of year	41,121	18,691
Depreciation charge	3,738	22,430
Depreciation at end of year	44,859	41,121
Carrying amount at end of year	-	3,738

The lease of office premises expired in September 2021.

10. Trade and other payables

	2022 $	2021 $
Current		
Trade payables and other creditors	761,336	586,694
Amounts owing to Directors:		
Underwriting fees payable to Directors	121,249	-
Fees payable to Directors (including GST) due 16 April 2022	-	1,798,525
Accrued interest on fees payable to Directors due 16 April 2022	-	515,329
Accrued interest on loans due 16 April 2022	-	3,435,642
Accrued establishment fees on Directors' loans due 16 April 2022	-	773,500
	121,249	6,522,996
Accrued underwriting fees	-	287,755
	121,249	6,810,751
Total trade and other payables - current	882,585	7,397,445
Non-current		
Fees payable to Directors (including GST) due 16 April 2024	1,063,567	-
Accrued interest on fees payable to Directors due 16 April 2024	285,814	-
Accrued interest on loans due 16 April 2024	2,253,389	-
Accrued establishment fees on Directors' loans due 16 April 2024	482,500	-
	4,085,270	-
Less: Gain on non-current trade and other payables at amortised cost[1]	(524,390)	-
	3,560,880	-

[1] The gain on non-current trade and other payables at amortised cost arose from the difference between the net present value of the interest-free non-current trade and other payables to be settled on 16 April 2024 and the settlement amount at balance date.

Effective from 1 July 2021, the non-current trade and other payables are non-interest bearing. On 7 July 2021, $2,309,074 of the amounts owing to the Directors (see Note 14(b)) were applied to the settlement of the take up of shortfall shares under the pro-rata entitlement offer that closed on 1 July 2021 and which was fully underwritten by the Directors. In September 2021, the Directors and their related entities agreed to extend the settlement date to 16 April 2023 or earlier at the Company's option and in June 2022 they agreed that amounts owing to them at 30 June 2022 to be settled on 16 April 2024 or earlier at the Company's option.

11. Lease liabilities

	2022 $	2021 $
Current		
Office lease	-	3,880

The lease liabilities are accounted for under AASB 16 – Leases (Note 27 (u)).

12. Borrowings

	2022 $	2021 $
Current		
Loans from Directors' related entities due 16 April 2022	-	5,100,149-
Non-current		
Loans from Directors' related entities due 16 April 2024	1,434,375	-
Less: Gain on borrowings at amortised cost[1]	(184,575)	-
	1,249,800	-

[1] The gain on borrowings at amortised cost arose from the difference between the net present value of the interest-free borrowings to be settled on 16 April 2024 and the contractual settlement amount at balance date.

See Remuneration Report on pages 15 to 20 for details on the loans.

Effective from 1 July 2021 the loans under the facilities are non-interest bearing and no establishment fee applies. On 7 July 2021, $3,665,774 of the loans from the Directors (see Note 14(b)) were applied to the settlement of the take up of shortfall shares under the pro-rata entitlement offer that closed on 1 July 2021 and which was fully underwritten by the Directors. In September 2021, the Directors and their related entities agreed to extend the settlement date to 16 April 2023 or earlier at the Company's option and further agreed in June 2022 to extend the settlement date to 16 April 2024 or earlier at the Company's option.

13. Provisions

	2022 $	2021 $
Current		
Provision for rehabilitation of exploration areas	200,000	200,000
Provision for refund of penalties received	596,500	622,200
	796,500	822,200

The provision for rehabilitation of exploration areas relates to three wells in SC 44 that remain to be plugged and abandoned.

The movement in provision during the year for refund of penalties received related to movement in exchange rate only.

The provision for refund of penalties received is for €383,500 received in August 2018 by the Company from the French Government following a Pau Tribunal judgement on 5 July 2018. The judgement was subsequently annulled in December 2020 by the Court of Appeal of Bordeaux following an appeal by the French Government in September 2018 after they have paid the penalties. In June 2021, the Company lodged an appeal against that annulment with the Conseil d'état which, in September 2022, declined the appeal for a full hearing. The Company has considered it prudent to keep the existing provision for this amount in Euros made in prior year and revalued at balance date exchange rate until the Company's lawyers advise on further action that can be undertaken.

14. Contributed equity

	2022 Shares	2021 Shares	2022 $	2021 $
a) Share capital				
Ordinary shares - fully paid	4,089,102,078	2,044,551,039	38,943,696	34,782,400

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Movements in ordinary share capital:

2022	Details	Number of shares	Issue/Fair value price $	$
1 Jul 21	**Balance at beginning of year**	2,044,551,039		34,782,400
	Shares issued during the year:			
	Issue of shares under 1:1 pro-rata non-renounceable entitlement offer			
7 July 21	- for cash	52,935,004	0.003	158,805
7 July 21	- to underwriters as repayment of loans and payables	1,991,616,035	0.002	3,983,232
1 Dec 21	Sale of 12,000,000 treasury shares:[1]	-	0.002	24,000
	Transaction costs	-		(4,741)
	Total movement for the year	2,044,551,039		4,161,296
30 Jun 22	**Balance at end of year**	4,089,102,078		38,943,696

[1] Treasury shares are EIP shares surrendered to the Company.

On 7 July 2021, 1,991,616,035 ordinary shares were issued to underwriters (associates of the Directors) of the non-renounceable entitlement offer at the offer price of $0.003 per ordinary share in settlement of debts of $5,974,848 owing to the Directors and their associates ($3,665,774 applied against loans and $2,309,074 applied against other amounts owing). Management has assessed the fair value of the shares at the time of grant of the shares to be $3,983,232 at $0.002 per ordinary share, being the market price of the shares at the date of announcement to the market in line with "AASB 13 – Fair Value Measurement" and it is a level 1 input. The subsequent gain on this conversion of $1,991,616 was accounted for in profit or loss.

2021	Details	Number of shares	Issue/Fair value price $	$
1 Jul 20	**Balance at beginning of year**	1,378,996,985		32,687,607
28 Sep 20	Sale of 24,550,000 treasury shares	-	0.0020	49,100
29 Dec 20	Sale of 12,000,000 treasury shares	-	0.0017	20,400
	Shares issued during the year:			
26 Feb 21	Share placement	399,054,054	0.0037	1,476,500
24 Mar 21	Share placement	266,500,000	0.0040	1,066,000
	Transaction costs	-		(517,207)[1]
	Total movement for the year	665,554,054		2,094,793
30 Jun 21	**Balance at end of year**	2,044,551,039		34,782,400

[1]Include underwriting and other costs of $343,759 incurred on non-renounceable pro-rata entitlement offer that opened in May 2021 and closed on 1 July 2021

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Employee Incentive Plan (EIP) shares

Information relating to the employee share scheme is described in the Remuneration Report (d) on page 17.

EIP shares granted at balance date

	No. of shares	Expiry date	Loan amount ($)
	12,000,000	4 December 2022	96,000
	12,000,000	20 January 2024	96,000
Director Patrick W V M Sam Yue:	24,000,000		192.000
Other eligible persons	7,000,000	16 January 2023	28,000
	31,000,000		220,000

No EIP shares were issued during the year.

e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain a capital structure that minimises the cost of capital to the extent achievable.

In order to maintain or adjust the capital structure, the Company may issue new shares to raise funds in the equity market, sell assets and reduce debt.

There were no changes to the Group's approach to capital management during the year.

15. Reserves and accumulated losses

	2022 $	2021 $
a) Reserves		
Share-based payments reserve	2,154,733	2,154,733
Foreign currency translation reserve	(1,834,931)	(1,834,931)
	319,802	319,802
b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at beginning of year	(46,089,349)	(44,154,682)
Profit/(Loss) for the year	1,925,142	(1,934,667)
Balance at end of year	(44,164,207)	(46,089,349)

c) Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of shares issued under the Employee Incentive Plan.

ii. Foreign currency translation reserve

Exchange differences arising on translation of the foreign subsidiary taken to the foreign currency translation reserve, as described in Note 27(d). The reserve is recognised in profit and loss when the net investment is disposed of.

16. Reconciliation of profit/(loss) after income tax to net cash flows from operating activities

	2022 $	2021 $
Profit/(Loss) for the year	1,925,142	(1,934,667)
Amortisation gain on financial liabilities	(708,965)	-
Depreciation and amortisation	3,837	22,827
Fair value (gain) on extinguishment of financial liabilities	(1,991,616)	-
Finance costs	20	636,131
Impairment of exploration and evaluation expenditure	-	39,835
Net exchange differences	1,566	(35,382)
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	18,846	(8,525)
Increase in trade and other payables	2,871	270,557
Increase in prepayments	5,754	17,542
(Decrease)/Increase in provisions	(25,700)	622,200
Net cash (outflow) from operating activities	(768,245)	(369,482)

17. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rehabilitation and restoration obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of exploration areas in accordance with the Group's policy on provisions. These provisions which include future cost estimates are discounted to their present value.

At each reporting date the rehabilitation liability is assessed and remeasured in line with changes in discount rates, if applicable, and timing or amounts of costs to be incurred. Rehabilitation provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved. At 30 June 2021 and at balance date a provision for rehabilitation costs of SC 44 had been recognised as SC 44 expired on 2 September 2020 and was terminated in June 2021. On 27 September 2021, the DOE reiterated its decision to terminate SC 44.

Effective interest rate used in calculation of amortised cost

In calculating the net present values of interest-free non-current trade and other payables and borrowings the Group has used an effective interest rate of 8% pa (being the rate previously being charged on these liabilities) applied to the gross carrying amount of the financial liabilities.

Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to Note 4 for further details.

Litigation

At each reporting date, assessment is made on the costs and potential recoveries from legal disputes with the French Government in relation to the non-renewal of the St Griede permit in France. Potential recoveries on damages claims are prudently not recognised in the accounts in view of uncertainty of success. Unpaid legal costs are provided based on advice from the lawyers. In the case of the decision of the Appeal Court of Bordeaux in December 2020 to annul the penalties of €383,500 ($596,500 at balance date exchange rate) paid by the French Government to the Company in July 2018 the full amount is prudently recorded as a provision for refund. In September 2022, the Conseil d'état declined the appeal for a full hearing. The Company's lawyers are advising on further action that can be undertaken.

18. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board and the interest rate risk and credit risks faced by the Group are considered minimal at this stage.

The Group holds the following financial instruments:

	2022 $	2021 $
Financial assets		
Cash and cash equivalents	1,578,285	2,293,420
Trade and other receivables	-	18,846
	1,578,285	2,312,266
Financial liabilities		
Trade and other payables - Current	882,585	7,397,445
Trade and other payables – Non-current	3,560,880	-
	4,443,465	7,397,445
Lease liabilities – Current and Non-current	-	3,880
Borrowings – Current and Non-current	1,249,800	5,100,149
	5,693,265	12,501,474

(a) Market risk

i. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and Philippines Peso.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the reporting date was not material.

ii. Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

		Fixed interest rate maturing		**Non-interest bearing**		
	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years	**Total**
2022	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	1,529,303	-	-	48,982	-	1,578,285
	1,529,303	-	-	48,982	-	1,578,285
Financial liabilities						
Trade and other payables	-	-	-	882,585	3,560,880	4,443,465
Borrowings	-	-	-	-	1,249,800	1,249,800
				882,585	4,810,680	5,693,265
2021	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	2,260,464	-	-	32,956	-	2,293,420
Trade and other receivables	-	-	-	18,846	-	18,846
	2,260,464	-	-	51,802	-	2,312,266
Financial liabilities						
Trade and other payables	-	5,631,221		1,766,224		7,397,445
Lease liabilities	3,880	-	-	-		3,880
Borrowings	-	5,100,149	-	-	-	5,100,149
	3,880	10,731,370	-	1,766,224	-	12,501,474

The Group's main interest rate risk arises from cash and cash equivalents and deposits with banks.

The Group is not exposed to price risk.

Group sensitivity

At 30 June 2022, if interest rates had changed by -/+ 50 basis points ("bps") from the year-end rates with all other variables held constant, post-tax profit for the year would have been $7,647 lower/higher (2021: $11,302 lower/higher), as a result of lower/higher interest income from cash and cash equivalents held at balance date.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures in respect of outstanding receivables and committed transactions.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(c) Liquidity risk

The Group manages liquidity risk by monitoring actual cash flows and maintaining sufficient cash or finance facilities to fund operations. Surplus funds are generally only invested in short term deposits with Australian banks.

Financing arrangements

At 30 June 2022, the Group had access to unsecured borrowing facilities of $5,034,226 bearing no interest and is available until 16 April 2024 with the Company having the sole option to pay early if it elects to. At balance date an amount of $1,434,375 represented the total principal drawn under the facilities with the balance of $3,599,851 available to be drawn as and when required by the Company.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows which may differ to the carrying values of the liabilities at the reporting date. The amounts are based on conditions existing at the balance date and may change depending on decisions taken by the group.

	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	$	$	$	$	$	$	$
At 30 June 2022							
Non-derivatives							
Non-interest bearing	882,585	-	5,519,645	-	-	6,402,230	6,402,230
Variable rate	-	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	882,585	-	5,519,645	-	-	6,402,230	6,402,230
At 30 June 2021							
Non-derivatives							
Non-interest bearing	874,449	11,623,145	-	-	-	12,497,594	12,497,594
Variable rate	3,880	-	-	-		3,880	3,880
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	878,329	11,623,145	-	-	-	12,501,474	12,501,474

(d) Fair value of financial instruments

The Directors consider the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

19. Commitments and contingent liabilities

Commitments

The Group did not have any commitments as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2022 and 30 June 2021.

20. Related party transactions

	2022 $	2021 $
(a) Key management personnel compensation		
Short-term employee benefits[1]	301,000	301,000[1]
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	301,000	301,000

[1] In 2021, $15,000 of the management fees were accounted in exploration and evaluation expenditure.

Detailed remuneration disclosures are provided in the Remuneration Report on pages 15 to 20.

Other transactions and balances

Other transactions and balances at reporting date with key management personnel or their related entities are disclosed in the Remuneration Report on pages 15 to 20 and in Notes 10, 14(b) and 12.

21. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 27(b).

Name of entity	Country of incorporation	Class of shares	Equity holding*	
			2022 %	2021 %
Gas2Grid Pte Limited	Singapore	Ordinary	100	100
Wellfin Pty Limited	Australia	Ordinary	100	100
GGX Eromanga Pty Ltd	Australia	Ordinary	100	-

*The proportion of ownership interest is equal to the proportion of voting power held.

22. Share-based payments

The Company has established a Gas2Grid Limited Employee Incentive Plan (“EIP”) under which the Directors may offer options for free and ordinary shares at market price in the Company to eligible persons. The Directors may also offer interest free non-recourse loans for terms of up to 5 years under the plan for subscription of shares. Under such loans the Company holds a lien over the issued shares and the loans are repayable at the option of the eligible persons to be able to deal with the shares. Shares issued under the EIP in conjunction with non-recourse loans are accounted for as options. As a result, the amounts receivable from the eligible persons in relation to these loans are not recognised in the financial statements. Refer to the Remuneration Report contained in the Directors’ Report on pages 15 to 20 for details of the Gas2Grid Limited Employee Incentive Plan.

No EIP shares were issued and 12,000,000 EIP shares were surrendered during the year.

	2022 SHARES	2021 SHARES
Balance at beginning of year	43,000,000	79,550,000
Sale of treasury shares (from EIP shares surrendered) during the year	(12,000,000)	(36,550,000)
Balance at end of year (Note 14(d))	31,000,000	43,000,000

23. Remuneration of auditors

	2022 $	2021 $

During the year the following fees were paid or payable for the remuneration of auditors:

	2022 $	2021 $
Remuneration of the current auditor for:		
- auditing or reviewing the financial reports	35,165	27,721

No non-audit services were provided.

24. Earnings/(Loss) per share

Profit/(Loss) for the year used in the calculation of basic and diluted loss per share	1,925,142	(1,934,667)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	4,049,891,510	1,586,119,458
Basic and diluted earnings/(loss) per share - cents	0.05c	(0.12c)

25. Parent entity financial information

The Parent Entity within the Group is Gas2Grid Limited and this is also the ultimate Parent Entity within the Group. The investment by the Parent Entity in subsidiaries at 30 June 2022 is $3 (2021: $1).

a) Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

	2022 $	2021 $
Statement of financial position		
Current assets	1,589,056	2,332,690
Non-current assets	3	3,838
Total assets	1,589,059	2,336,528
Current liabilities	1,629,088	13,323,674
Non-current liabilities	5,235,162	424,483
Total liabilities	6,864,250	13,748,157
Net (liabilities)	(5,275,191)	(11,411,629)
Shareholders' equity		
Issued capital	38,943,696	34,782,400
Reserves	319,802	319,802
Accumulated losses	(44,538,689)	(46,513,831)
	(5,275,191)	(11,411,629)
Profit/(Loss) for the year	1,975,142	(1,934,667)
Total comprehensive profit/(loss) for the year	1,975,142	(1,934,667)

b) Guarantees entered into by the Parent Entity

The Parent Entity has not entered into any financial guarantees as at 30 June 2022 (2021: nil).

c) Contingent liabilities of the Parent Entity

The Parent Entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

d) Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2022 or 30 June 2021.

26. Events occurring after the reporting period

There has not arisen in the interval since 30 June 2022 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years other than the following:

- On 5 September 2022, the Conseil d'etat in France declined a full hearing of the appeal lodged by the Company in June 2021 against the December 2020 decision of the Court of Appeal of Bordeaux that annulled the award to the Company by the Pau Tribunal in July 2018 of €383,500 penalty. That penalty has been paid to the Company in August 2018 by the French Government before they lodged their appeal in September 2018. The penalty was in respect of delays by the French Government to grant an extension to the St Griede permit from November 2016. The lawyers in France are advising on further action that can be taken by the Company to protect its rights. See Note 13 on the amount provided for a refund of the penalty received; and

- On 21 September 2022, the Company and Santos Limited ("STO") agreed to terminate the Company's proposed farmin in STO's licences in the Cooper Basin, Queensland, ATP 1063 and ATP 1174. The Company is continuing discussions to seek alternative farmin opportunities in the Cooper Basin.

27. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Gas2Grid Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.* Gas2Grid Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS

The consolidated financial statements of the Gas2Grid Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

iii. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

iv. Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2022, the Group had net liabilities of $4,900,709 (2021: Net liabilities $10,987,147) with net working capital deficiency of $90,029 (2021:$10,990,984) including $1,249,800 in Directors' loans at amortised cost and, $3,560,880 in Directors' fees and accrued finance costs at amortised cost that fall due for repayment on 16 April 2024. The Group has made a profit of $1,925,142 (2021: Loss $1,934,667) for the year ended 30 June 2022, arising mainly from the fair value gain on extinguishment of financial liabilities and gain on financial liabilities at amortised cost during the year totalling $2,700,581 (Notes 2 and 14(b).

To undertake exploration and appraisal activities in new ventures in Australia, seek remedies in Philippines following the termination of SC 44 by DOE and protect the investment made in the St Griede permit in France while the Group has no revenue producing assets, the Group requires regular injection of funds.

The continuing ability of the Group to continue as a going concern and to undertake exploration activities and repay Directors' loans, outstanding fees and interest and other liabilities is dependent upon acquisition of new oil and gas interests and their successful development and exploitation; positive outcome from the claim against the French Government; obtaining remedies in Philippines with respect to the termination of SC 44 and new equity capital that may be raised.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group will be able to continue as a going concern. In arriving at this conclusion, the Directors considered the following:

- The expiry date of the loan facilities from related entities of Directors (D Morton, D Munns and P Sam Yue) has been extended to 16 April 2024 in June 2022.The undrawn amount on these facilities was $3,599,851 at balance date and is able to be drawn upon. There has been no drawdown under the loan facilities since balance date.
- The Directors' fees and management fees may be negotiated to be deferred and not paid in cash by the Group.
- If required, management will negotiate to extend the maturity terms of the loan facilities and the fees payable to the Directors beyond the current maturity date of 16 April 2024.
- Undertaking further capital raisings.

At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2022. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gas2Grid Limited ("Company" or "Parent Entity") as at 30 June 2022 and the results of its subsidiaries for the year then ended. Gas2Grid Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is expected to, or has rights to, variable returns from its investment in the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

(d) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Gas2Grid Limited's functional and presentation currency. The overseas subsidiary's functional currency is USD.

ii.Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues.

(f) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(j) Trade and other payables - current

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are due within 12 months of balance date.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer payment of the liability for at least 12 months after the reporting period.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted to their present values, where the time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Share-based payments

Share-based compensation benefits may be provided to employees and eligible persons via an employee incentive plan.

The fair value of options or shares granted under an employee incentive plan is recognised as share-based payment with a corresponding increase in equity. The Employee Incentive Plan (EIP) shares granted with loans repayable at the option of the holder are treated as akin to share options in accordance with generally accepted accounting principles. The total amount to be expensed is determined by reference to the fair value of the options or shares granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

The fair value of shares issued under EIP is measured at grant date and is determined using the Black-Scholes option pricing model that takes into account the term of the EIP shares, the exercise price, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the EIP shares.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(o) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost. Trade amounts receivable from the subsidiaries in the normal course of business and other amounts advanced on commercial terms and conditions are included in receivables.

(q) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(s) Exploration and evaluation expenditure

Exploration and evaluation expenditure is accumulated in respect of each indefinable area of interest, and carried forward in the statement of financial position where:

(a) rights to tenure of the area of interest are current; and
(b) one of the following conditions is met:

    (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or

(ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable hydrocarbon reserves, and active and significant operations in, or in relation to, the area are continuing.

Indirect costs relating to exploration and evaluation in areas of interest are capitalised in the year they are incurred. A regular review is undertaken to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned.

Rigs and equipment acquired for use in exploration and evaluation activities are capitalised as tangible assets under exploration expenditure and rights. They are depreciated when used over their estimated useful lives of 10 years. The amount of depreciation is capitalised into intangible exploration expenditure.

Recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest or assets.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its amount. Where this is the case, the impairment loss will be measured in accordance with the Group's impairment policy (Note 27(h)).

Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, is written off in the year in which such a decision is made.

(t) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

loans and receivables

financial assets at fair value through profit or loss (FVTPL)

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(u) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group. However, all contracts that are classified as short-term leases (ie a lease with a term of 12 months or less) and leases of low-value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease or if this rate cannot be readily determined, at the Group's incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying assets, whichever is the shortest.

(v) New and effective standards that are effective for these financial statements

The Group has adopted all of the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

It has been determined that there has been no material impact of the new and revised Accounting Standards and Interpretations on the Group's business.

(w) New accounting standards and interpretation

Certain new Accounting Standards and Interpretations have been published that are not mandatory for annual reporting periods ending 30 June 2022 and have not been adopted early by the Group. No significant impact on the Group's financial performance or position is expected when they are adopted.

New or revised pronouncement	Nature of change	Effective for annual reporting periods beginning on or after	Likely impact on initial application
AASB 2020-3 Amendments to Australian Accounting Standards –Annual improvements 2018-2020 and Other Amendmentsl	Amends AASB 101 and AASB 108, refines the definition of material in AASB 101 and clarifies the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications.	1 January 2022	When these amendments are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current	Makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	1 January 2023	When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	Makes amendments to: * AASB 7 Financial Instruments: Disclosures; * AASB 101 Presentation of Financial Statements: * AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors: * AASB 134 Interim Financial Reporting: and * AASB Practice Statement 2 Making Materiality Judgements.	1 January 2023	When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.

(x) Parent entity financial information

The financial information for the Parent Entity, Gas2Grid Limited, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements.

In the Directors' opinion:

a) the financial statements and notes set out on pages 23 to 48 are in accordance with the *Corporations Act 2001,* including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 27(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Dennis Morton
Director

Sydney
29 September 2022

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GAS2GRID LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gas2Grid Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 27 to the financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2022, the Group had cash and cash equivalents of $1,578,285 with net cash outflows from operating activities of $768,245 for the year ended 30 June 2022, a net working capital deficiency of $90,029 and recorded a profit after income tax of $1,925,142 for the year (after recording a combined gain of $2,700,581 on fair value gains on extinguishment of financial liabilities and on financial liabilities at amortised cost). The Company is also in dispute with, and seeking reparations from, both the French and Philippine governments in relation to actions taken against it by those respective governments. This casts a material uncertainty in relation to the entity's going concern assumption.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital, and/or successfully exploiting its mineral assets, and/or receiving favourable outcomes from the claim against the French and Philippine governments. In the event that the Group is not successful in raising further equity and/or successfully exploiting its mineral assets or successful in the appeal lodged with the Conseil d'etat in France, and in obtaining remediations from the Philippine government, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a Key Audit Matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matters	How the matter was addressed in the audit
Restructuring gain on debt-to-equity conversion During the year, the Group completed the restructuring of a portion of its debts by converting some debts owing into equity. On 7 July 2021, 1,991,616,035 ordinary shares were issued to underwriters (associates of the Directors) for the non-renounceable entitlement offer at the offer price of \$0.003 per share in accordance with the terms of the underwriting agreement. On the date of issue of the underwritten shares, the share price was \$0.002 per share. The difference between the underwriting price per share, and the share price on the date of issue, represented a gain on the debt-to-equity conversion of \$1,991,616. We have determined this to be a key audit matter given the nature of the transaction and the materiality of the amount involved.	Inter alia, our audit procedures included the following: I. Obtained agreements with debt holders and agreed conversion terms to the management working papers and calculations; II. Obtained management's assessment of the fair value used in the conversion under AASB 13 (Fair Value Measurement) and its compliance with AASB 9 (Financial Instruments) and challenged the assumptions within and assessed calculations; and III. Reviewed the disclosures included in the annual report (refer note 14).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements

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regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Gas2Grid Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
29 September 2022

The shareholder information set out below was applicable as at 5 September 2022.

1. Substantial Shareholders

Substantial Shareholders in the Company are set out below:

	Ordinary shares – number held	Percentage of issued shares
Dennis Morton	816,954,858	19.98
David Munns	757,827,969	18.53
Patrick Sam Yue	425,182,998	9.93

2. Voting rights

The voting rights attached to the shares are, on a show of hands every member present in person or by proxy shall have one vote and upon a poll, are one vote for each share held.

3. On-market buy-back

There is no current on-market buy-back.

4. Distribution of Shareholders

(i) Analysis of numbers of shareholders by size of holding:

Size of holding	Number of shareholders	Number of shares held	%
1-1,000	109	10,401	0.000
1,001-5,000	30	103,276	0.003
5,001- 10,000	108	985,990	0.024
10,001-100,000	572	29,285,337	0.716
100,001 – and over	1,015	4,058,717,074	99.257
	1,834	**4,089,102,078**	**100.000**

(ii) There were 1,150 shareholders with less than a marketable parcel of shares

5. Twenty largest Shareholders

Name of Shareholder	Number held	% of issued shares
TD INTERNATIONAL S A	697,064,996	17.05%
BUDSIDE PTY LIMITED	655,424,351	16.03%
LAMDIAN PTY LTD <SAMYUE SUPERFUND A/C>	401,181,998	9.81%
OCTAN ENERGY PTY LTD	203,326,707	4.97%
M S NG	193,236,406	4.73%
DENNIS MORTON	106,269,665	2.60%
REMORA PTY LTD	71,456,581	1.75%
MR P L GEORGE AND MRS S L GEORGE	65,300,000	1.60%
D W REEDER	59,772,618	1.46%
VESWAY PTY LTD <ESVSY SUPER FUND A/C>	57,700,000	1.41%
M K WALCOTT	48,478,261	1.19%
BUDSIDE PTY LTD <EMPLOYEES SUPERANNUATION FUND>	48,080,843	1.18%
DAVID MUNNS	37,829,927	0.93%
SOLENTE NOMINEES PTY LTD <SOLENTE INVESTMENT A/C>	28,615,780	0.70%
WONG VOON SAM YUE	24,001,000	0.59%
CITICORP NOMINEES PTY LIMITED	23,855,997	0.58%
SIMPLE HOLDINGS PTY LTD	22,722,000	0.56%
A E SOLENTE	20,415,000	0.50%
POBELO SUPER PTY LTD <POBELO P/L SUPER FUND A/C>	20,000,000	0.49%
MR D JEVTIC AND MRS N JEVTIC	20,000,000	0.49%
MR M A TKOCZ	20,000,000	0.49%
SUPER MSJ PTY LTD <MSJ SUPER FUND A/C>	20,000,000	0.49%
Twenty largest shareholders	2,884,732,130	69.57
Others	1,244,369,948	30.43
	4,089,102,078	**100.00**

SCHEDULE OF OIL AND GAS TENEMENTS

LOCATION	TEENEMENT NAME	HOLDER	INTEREST	AREA	STATUS
Cebu Island, The Philippines	Service Contract 44	Gas2Grid Pte Ltd	100%	750 km^2	Expired 2 September 2020, DOE notified and reiterated termination in June 2021 and September 2021 respectively. Remedies, including extension of the Service Contract 44, to be subject of arbitration at the International Chamber of Commerce.