



## ACTIVITIES REPORT

### QUARTER ENDED 30<sup>th</sup> SEPTEMBER 2023

30<sup>th</sup> October, 2023

#### PHILIPPINES

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

Service Contract 44 ("SC 44") was unjustly terminated in 2021 by the then Philippines Government during a period of Government imposed Covid-19 sanctions. These sanctions had compelled the Company to stop its active Nuevo Malolos-1 Deepening drilling operations that were underway in 2020 under a Force Majeure event as provided for in SC 44.

After the 2022 Philippines national elections, representatives of the Company discussed the unjust cancellation of SC 44 with the newly appointed Energy Secretary and his DOE administration. Based on those discussions the Company suspended its International Chamber of Commerce arbitration application that was under preparation and in July 2023 applied for a new Service Contract over an area like that covered by SC 44.

The Company's aim is to continue evaluation of the Malolos Oil Field and explore other, nearby attractive oil and gas targets. The current process to official grant of a new Service Contract could take another 3-4 months.

A new Service Contract, if granted, should provide for a new 7-year initial term, and therefore give the Company the opportunity to conduct substantive oil and gas exploration activities.

#### FRANCE

##### **Legal Claim on unlawful non-renewal by the French Government of ST. GRIEDE (100% working interest), Onshore Aquitaine Basin**

The court hearing to determine the Company's €34.35 million (approximately A\$57 million at current exchange rate) compensation claim against the French Government was held at the Pau Tribunal in France on the 28<sup>th</sup> June, 2023 as scheduled.

The Company awaits the handing down of the court determination. The timing of that court verdict is uncertain.

#### **Background**

In early January 2020, the Company lodged with the Pau Tribunal, France, a claim of €34.35 million

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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 non-renewal of the permit prevented the Company continuing exploration with the aim to eventual exploitation of oil and gas to achieve a return on exploration work incurred since the grant of the permit.

#### **ASX LISTING RULE 12.1 COMPLIANCE**

The Company's securities were suspended from quotation on the Australian Securities Exchange on 1 September 2023. The ASX determined that the level of the Company's operations is not adequate to warrant the continued quotation of its securities and therefore it is not in compliance with Listing Rule 12.1. The suspension will continue until the Company is able to demonstrate compliance with Listing Rule 12.1. The Company believes that the grant of a new Service Contract in Philippines will assist in that demonstration.

#### **EXPLORATION EXPENDITURE**

In accordance with Accounting Standards, as the Company does not have current legal tenure in exploration areas, all costs incurred on past and potential new exploration areas are classified under Operating Activities as project costs.

#### **PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES**

The aggregate amount of payments to related parties and their associates for the quarter reported in item 6.1 in Appendix 5B Cash Flow Report of \$75K were for Director's fees and management fees.

#### **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.*

#### **Authorised by:**

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Director/Secretary  
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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

30 SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(51)	(51)
(e) administration and corporate costs	(87)	(87)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST/Philippine Project)	(288)	(288)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(424)</b>	<b>(424)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

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

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other—Payments for lease liabilities		
<b>3.10 Net cash from / (used in) financing activities</b>	-	-

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	671	671
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(424)	(424)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Appendix 5B  
Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>245</b>	<b>245</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	34	28
5.2	Call deposits	211	643
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>245</b>	<b>671</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>						
7.1 Loan facilities	5,034	1,434						
7.2 Credit standby arrangements								
7.3 Other (please specify)								
7.4 <b>Total financing facilities</b>	5,034	1,434						
7.5 <b>Unused financing facilities available at quarter end</b>		3,600						
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.								
<p>The loan facilities are unsecured, interest free and mature on 16 April 2026 (extension can be renegotiated and early repayment at Company's election with no penalty) and are provided by related parties of the 3 Directors of the Company:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Budside Pty Ltd (related party of Managing Director Dennis Morton)</td> <td style="text-align: right; padding-left: 20px;">\$3.440M</td> </tr> <tr> <td style="padding-left: 20px;">TD International SA (related party of Chairman David Munns)</td> <td style="text-align: right; padding-left: 20px;">\$0.854M</td> </tr> <tr> <td style="padding-left: 20px;">Oni Design Pty Ltd (related party of Executive Director Patrick Sam Yue)</td> <td style="text-align: right; padding-left: 20px;">\$0.740M</td> </tr> </table>			Budside Pty Ltd (related party of Managing Director Dennis Morton)	\$3.440M	TD International SA (related party of Chairman David Munns)	\$0.854M	Oni Design Pty Ltd (related party of Executive Director Patrick Sam Yue)	\$0.740M
Budside Pty Ltd (related party of Managing Director Dennis Morton)	\$3.440M							
TD International SA (related party of Chairman David Munns)	\$0.854M							
Oni Design Pty Ltd (related party of Executive Director Patrick Sam Yue)	\$0.740M							

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(424)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(424)
8.4 Cash and cash equivalents at quarter end (item 4.6)	245
8.5 Unused finance facilities available at quarter end (item 7.5)	3,600
8.6 Total available funding (item 8.4 + item 8.5)	3,845
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	9.07
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

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

Date: 30 October 2023

Authorised by: Dennis Morton – Managing Director  
 Patrick Sam Yue – Director/Company Secretary  
 (Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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