GAS2GRID

ANNUAL REPORT 2011

Directors

David A. Munns	Non-Executive Chairman
Dennis J. Morton	Managing Director
Darren W Reeder	Non-Executive
Patrick Sam Yue	Non-Executive

Secretary

Steven J. Danielson

Registered Office and Principal place of Business

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SYDNEY NSW 2000 AUSTRALIA

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Facsimile:	(02) 8298 3699
Email:	office@gas2grid.com

Branch office in Philippines

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3rd Floor, 111 Paseo de Roxas corner Legasi Street,
Legasi Village, MAKATI CITY PHILIPPINES

Share registry

Gould Ralph Pty Limited
Level 42, Suncorp Place
259 George Street
SYDNEY NSW 2000 AUSTRALIA

Telephone:	(02) 9032 3000
Facsimile:	(02) 9032 3088

Auditor

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
SYDNEY NSW 1171 AUSTRALIA

Stock exchange listing

Gas2Grid Limited shares are listed on the Australian Securities Exchange under the code GGX.

Website address

www.gas2grid.com

The company is limited by shares, incorporated and domiciled in Australia.

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GAS2GRiD

Dear Shareholder,

I am pleased to present you with the 2011 Gas2Grid Limited Annual Report.

The Company is moving into conducting some exciting operations that, if successful, will add great value to the Company. These activities include drilling new exploration wells and conducting a deep workover on a well (Malolos-1) that has already flowed gas and produced some oil from some shallow targets.

During the year, the Company has been very active in onshore exploration within Service Contract 44 ("SC 44") in the Philippines and St. Griede licence in France. Activities have included seismic acquisition, well workover, seismic reprocessing and technical studies.

The aim of the seismic acquisition program in SC 44 (100% ownership) was to detail three exploration prospects for drilling by the Company in the first half of 2012. The 2010 seismic program was completed in December, 2010 with excellent results and at least three exploration drilling prospects identified. The drilling prospects in SC 44 targeted for testing in early 2012 are both Miocene age limestone reefs and sandstone reservoirs. Similar age reefs and sandstone reservoirs are prolific oil and gas producers elsewhere in the Philippines and South-east Asia.

Additional testing of the shallow (above 1,000 metres) sandstone reservoirs in Malolos-1 has resulted in gas flows and oil recovery. The Phase 2 workover involving cleaning out the well to about 2,100 metres, electric logging and flow testing will commence in the third quarter of 2011.

The Philippine Department of Energy has kindly granted an 18 month extension of time, until the 28th July, 2012, for the Company to complete the drilling of its committed three exploration wells.

In August 2011, the Company has acquired the 50% interest that it did not previously own in the St. Griede licence; and also it has submitted applications for three new licences, all located in the Aquitaine Basin, France.

The St. Griede licence (100% ownership) is located in the prolific oil and gas productive Aquitaine Basin in the south of France. Three large oilfields are located on the western border of the licence. The St. Griede licence contains an existing grid of seismic data and numerous vintage exploration wells and these data have been integrated in order to define new exploration drilling targets. Numerous large exploration targets have been identified. The Company now plans to acquire new seismic data in the first half of 2012 and drill at least one exploration well by the first half of 2013.

EP 453 (100% ownership) located in the onshore Canning Basin in Western Australia contains a previously drilled exploration well which flowed gas to surface and also numerous leads and prospects. Existing seismic data has been reprocessed and integrated with well data and new drilling prospects have been mapped but the results have not turned out as well as we would have liked. Work is now concentrated on assessing the petroleum potential of shale beds within the licence which are being actively explored by other Canning Basin operators, including oil and gas majors.

I was pleased to welcome Darren Reeder to the Board on 7th December, 2010, adding to the skills and experience needed by the Company. The Company continues to contain its overheads and control cash outflows with Directors either receiving reduced or no cash payments with their remuneration paid predominantly in shares in the Company. On behalf of the Board, I thank our shareholders for their patience and support throughout the year.

David Munns.

Chairman.

13 September 2011

SUMMARY

Corporate

- Darren Reeder appointed as a Non-Executive Director in December 2010
- $1.9 million capital raised in November, 2010 by way of a rights issue

Philippines Service Contract 44 (100%)

- Phase 2: Malolos-1 well workover commenced
- Gas flows and oil recovery from shallow sandstone reservoirs
- New 115 kilometre seismic survey completed
- Excellent quality new drilling prospects identified
- Terms amended by Philippines Department of Energy allowing more time for exploration work commitments

France, St. Griede (50% - increased to 100% in August 2011)

- Stage 1 seismic reprocessing completed – excellent results
- Integration of reprocessed seismic data with aero-gravity data
- Numerous, large prospects and leads identified
- Remaining available vintage seismic data purchased for reprocessing
- Seismic acquisition planned for Q1, 2012 and drilling in H1, 2013

Western Australia, EP 453 (100%)

- Existing seismic data reprocessed and interpreted
- Lack of drilling prospects
- Now concentrating on oil and gas potential of shales in licence
- Licence terms not met and a variation required from Government

New Ventures

- Applications lodged for three new exploration licences in France
- Reviewing new exploration/production and corporate opportunities

CORPORATE

Non-Executive Director Appointment: Mr Darren W. Reeder was appointed to the Board as a Non-Executive Director on the 7th December, 2010. Mr Reeder is a substantial shareholder of the Company with 14.96% of the issued capital at the time of his appointment and he has also been a long term supporter of the Company. Mr Reeder is Singapore based and controls a number of businesses including an oil and gas drilling and workover company with operations in the Philippines. The Company benefits from Mr Reeder's extensive experience in oil and gas drilling and production operations.

Rights Issue: A 1:3 Non-Renounceable Rights Issue priced at 2.5 cents per share with one attaching unlisted option exercisable at $0.05 per share and expiring on the 15th June, 2012 closed on 15th November, 2010. The Rights Issue raised approximately $1.9 million. The Rights Issue was fully underwritten by Budside Pty Ltd (a Company controlled by the Gas2Grid Limited Managing Director - Dennis Morton). Of the total 76,927,404 entitlement shares offered the Company received acceptances for 49,498,045 shares with 27,429,359 shares taken up by the underwriter and his nominees.

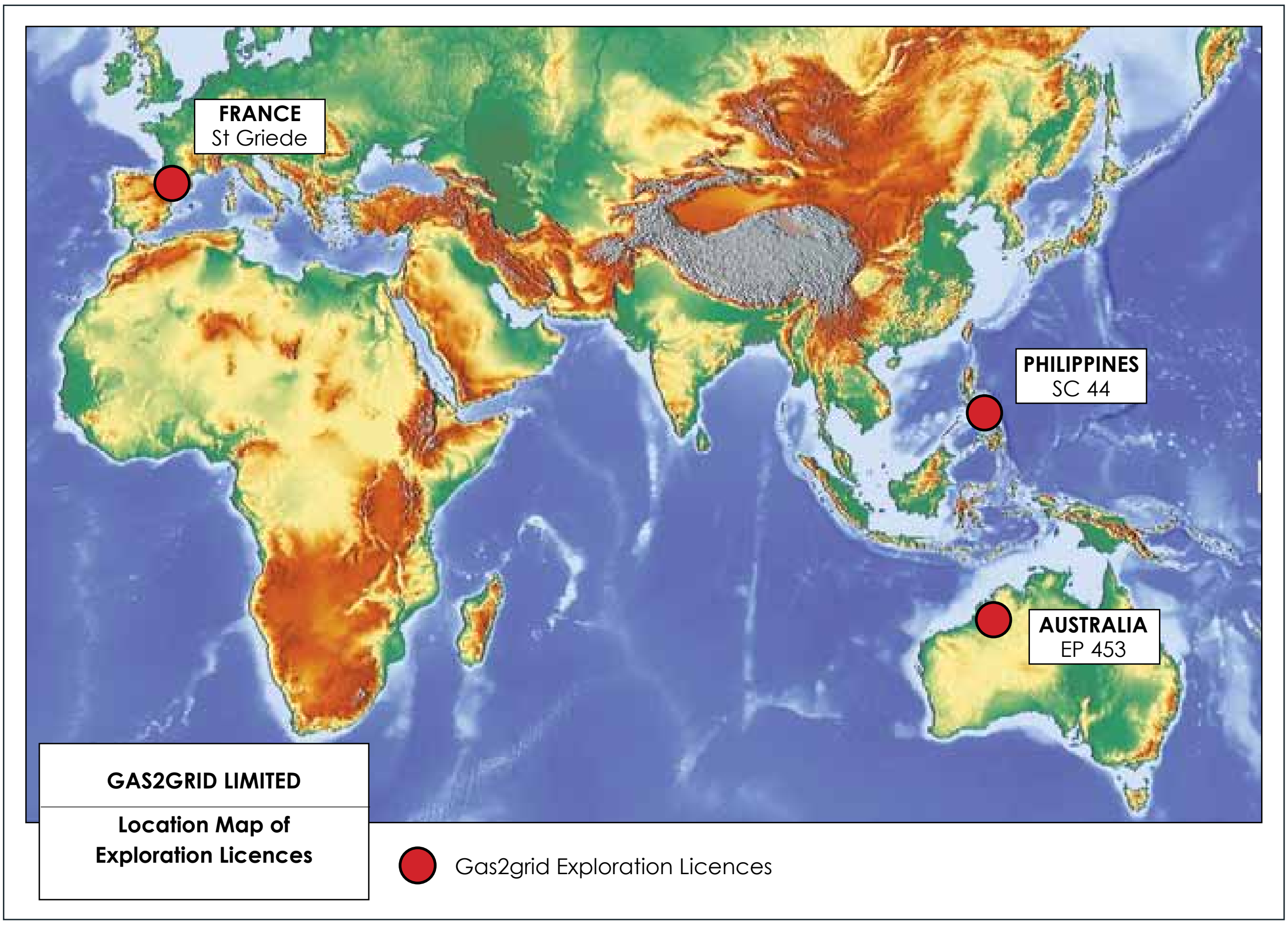

Figure 1 - Gas2Grid Limited exploration licences location worldwide

PHILIPPINES – Service Contract 44, Onshore Cebu (100%)

Government: On the 21st March, 2011 the Philippines Department of Energy ("DOE") agreed to vary the outstanding Service Contract 44 ("SC44") commitments for Sub-Phases 2 and 3 and also provide an additional 18 months (until 28th July, 2012) in which to complete these varied commitments. The new contract terms are as follows:

- Acquire, process, interpret 100 line kilometres 2D seismic data (US$500,000) – COMPLETED
- Workover the Malolos-1 well (US$500,000) – UNDERWAY
- Drill three (3) exploration wells (US$1.5 million) – PLAN TO COMMENCE IN 1st HALF 2012

The Service Contract is currently in good standing.

- **Malolos-1 - Workovers:** The Phase 1 workover was completed in May, 2010 with successful results. The work consisted of an investigation into the current well status and the existing completion followed by swabbing the previously completed 816 metre sandstone interval, retrieving the completion and conducting cased-hole electric logs.

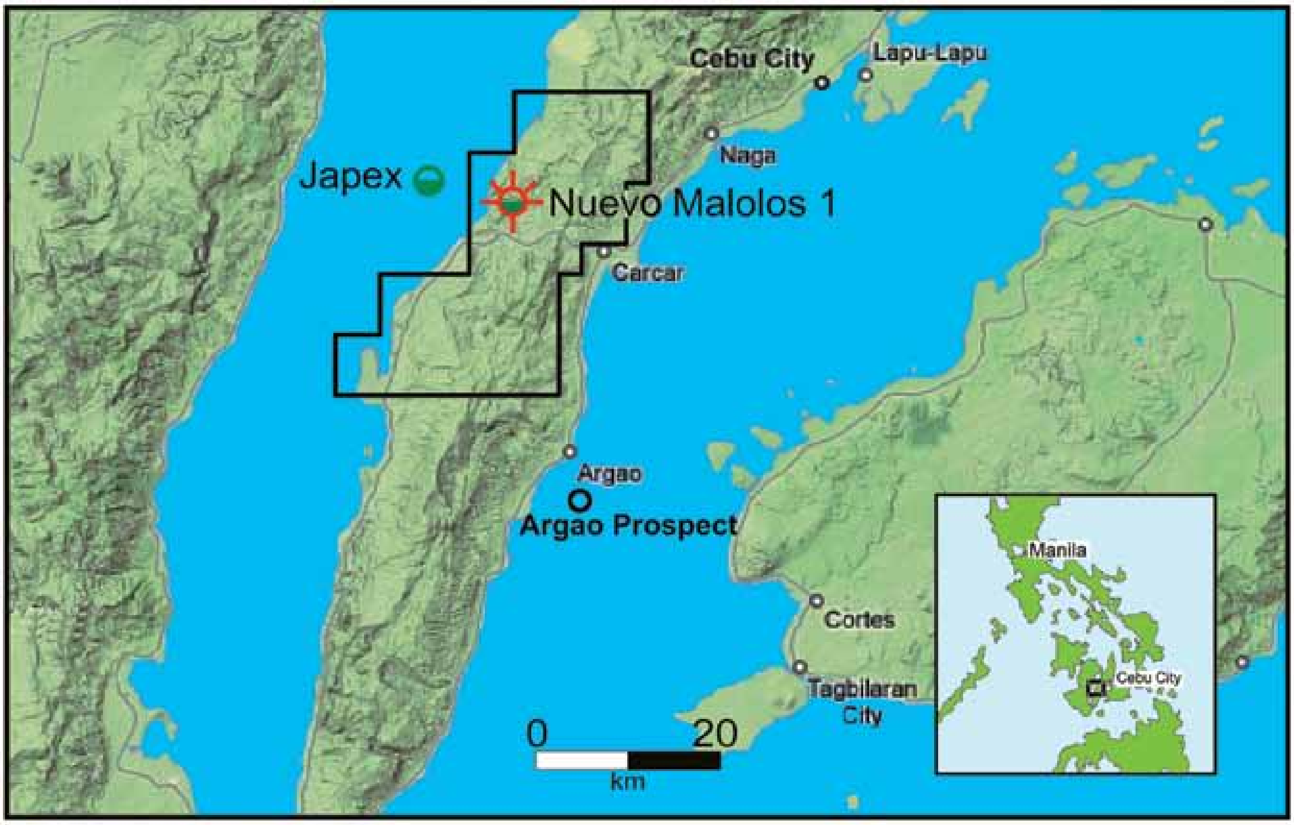

Figure 2 - Location of SC 44 on Cebu Island in the Philippines

The workover confirmed the presence of natural gas. The sandstone reservoir was tested and found to possess excellent reservoir quality. Swabbing operations resulted in the recovery of formation water confirming that the sandstone reservoir was being accessed through the casing perforations; gas was circulated out of the well after swabbing operations.

Testing confirmed that gas build-up in the annulus was being sourced from the previously perforated gas bearing sandstones (each 3-5 metres thick) over the gross interval 367.3 - 478.5 metres and an additional gas bearing sandstone present over the interval 774.2 - 777.3 metres. It is now assessed that the section of the well above 780 metres contains gas in four separate sandstones (each 3-5 metres thick) over the gross interval 367.3 - 478.5 metres, an additional 5 metre thick gas bearing sandstone present over the interval 774.2 - 779.3 metres. In addition, the thick sandstone developed below 816 metres contains a gross 23 metre gas column (816.9 - 839.7 metres) overlying water.

The Phase 2 workover commenced in April, 2011. The Phase 2 workover comprises a well re-entry, plugging the existing shallow perforations, cased hole logging and a decision on recompletion and flow testing of selected oil and gas bearing sandstones at deeper levels (below 1,000 metres) within the well.

Delays in sourcing critical equipment for drilling out cement plugs and cleaning the cased hole led the Company to complete a 'nitrogen enhancement' on the shallow perforations (between 367–777 metres). This operation was completed in April and it was conducted down the annulus, with a packer and the production tubing still in place, isolating the slightly deeper 816.9 metre sandstone.

The nitrogen enhancement improved gas production from the shallow reservoirs and it has resulted in natural gas flowing to surface from the annulus. Although the flow has not been continuous, gas immediately charges the annulus and pressure builds up once the well is shut-in. Oil has also been recovered from the annulus. The well was cyclically flowed and shut-in over a few weeks period in order to try and induce continuous gas flow which was not achieved. The essential equipment required to conduct the Phase 2 workover has now been sourced and access to and evaluation of the deeper hydrocarbon bearing intervals is expected to commence in late September.

A workover on the fully cased Malolos-1 well, offers the Company the lowest cost and nearest term, low risk operation to try to produce commercial gas and oil flow rates. The chance of success with this type of operation has increased after the Phase 1 workover recovered natural gas and also established that the sandstone reservoirs are not damaged and that they are capable of high productivity. Phase 2 workover operations will for the first time focus on the deeper oil and gas bearing intervals.

Seismic Survey: A 115 kilometre seismic acquisition program was completed in December, 2010. The newly acquired seismic data is of excellent quality where it has been acquired over ground not affected by outcropping limestone. The interpretation of the data has also been completed providing good geologic insight over selected areas of SC 44. The new data has clearly identified, for the first time, the Cebu Limestone carbonate reef play and the younger turbidite sandstone traps, both structural and structural/stratigraphic. The newly acquired seismic data is generally of high frequency enhancing the ability to identify and map reservoir targets.

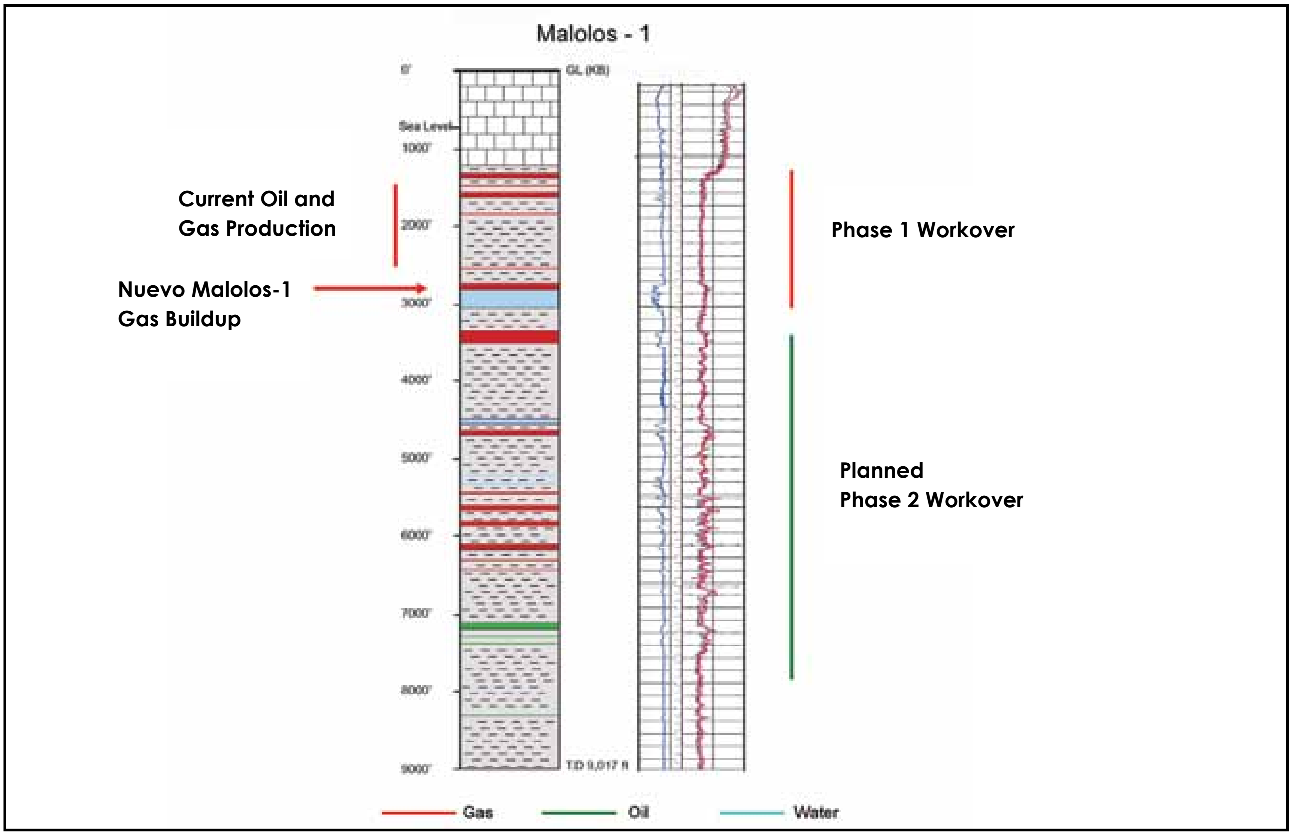

Figure 3 - Malolos-1 Well Schematic

The Cebu Limestone reef targets were interpreted to be present within SC 44 before the new seismic data was acquired and it has been extremely pleasing to now, conclusively identify this exploration target, as it greatly enhances the value of SC 44. The Cebu Limestone is of Miocene age and similar age limestone reefs are prolific oil and gas producers elsewhere in the Philippines (eg. Malampaya, Nido) and they are also prolific oil and gas producers in neighbouring Indonesia.

The 2011 Seismic Survey commenced operations in July, 2011 and this new program comprises about 50 kms data. The aim of this survey is to acquire sufficient data over at least three existing leads (including the carbonate reefs) and converting them into drilling prospects.

Exploration Drilling Program: The Company plans on drilling three new exploration wells commencing in the first half of 2012. The new wells will target both the Miocene carbonate reefs and Tertiary age sandstone reservoirs trapped within anticlines. These prospects have been delineated by the 2010 and 2011 Seismic Surveys.

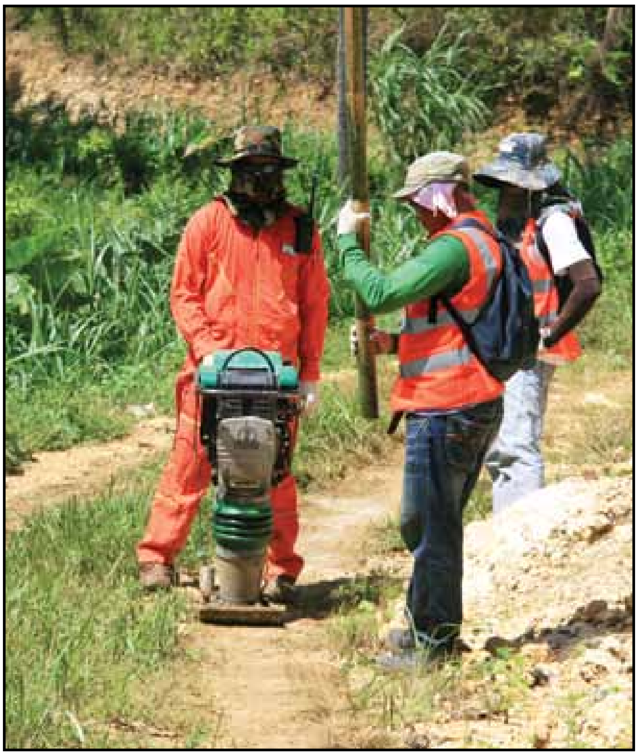

Figure 4 - Service Contract 44: Seismic data acquisition

Figure 5 - Oil produced from Malolos-1 after 'nitrogen enhancement'

Figure 6 - Gas flare at Malolos-1 after 'nitrogen enhancement'

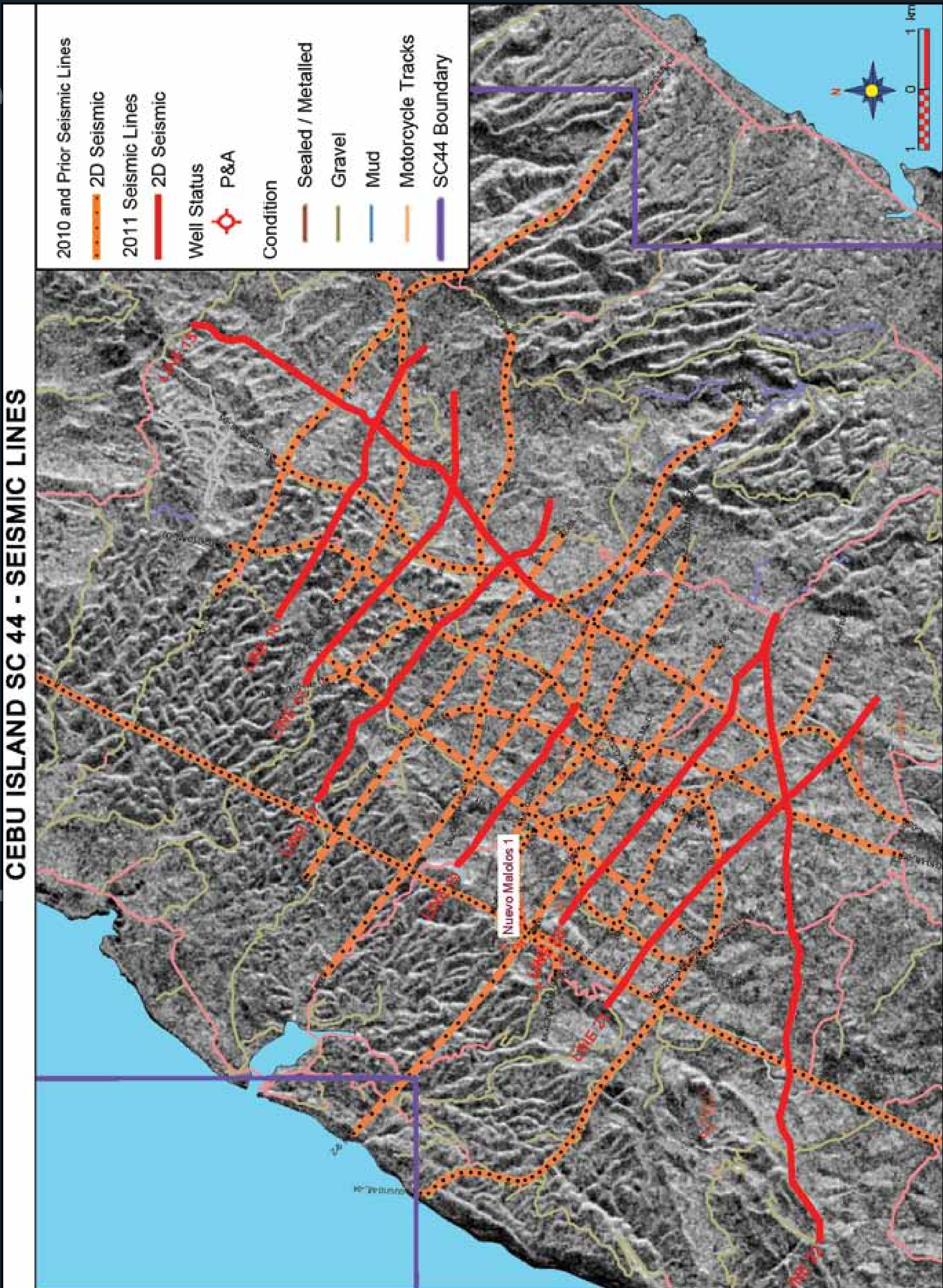

Figure 7 - Seismic acquisitions within SC 44

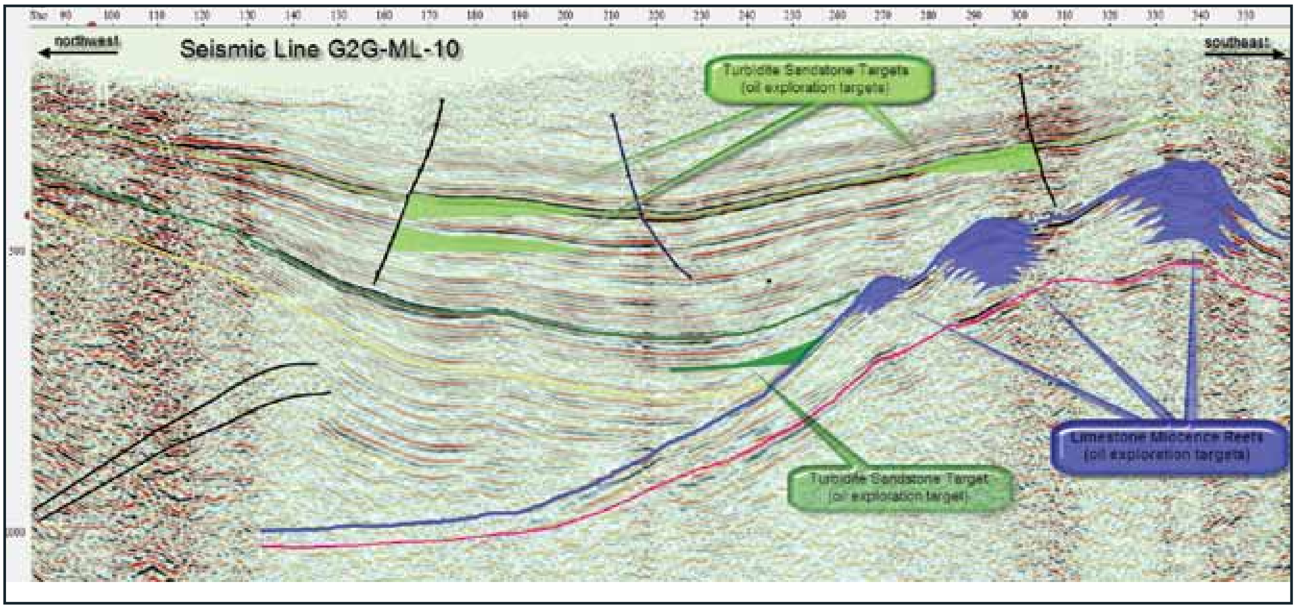

Figure 8 - Seismic Line (G2G-ML-10) showing potential limestone reef and turbidite sandstone targets.

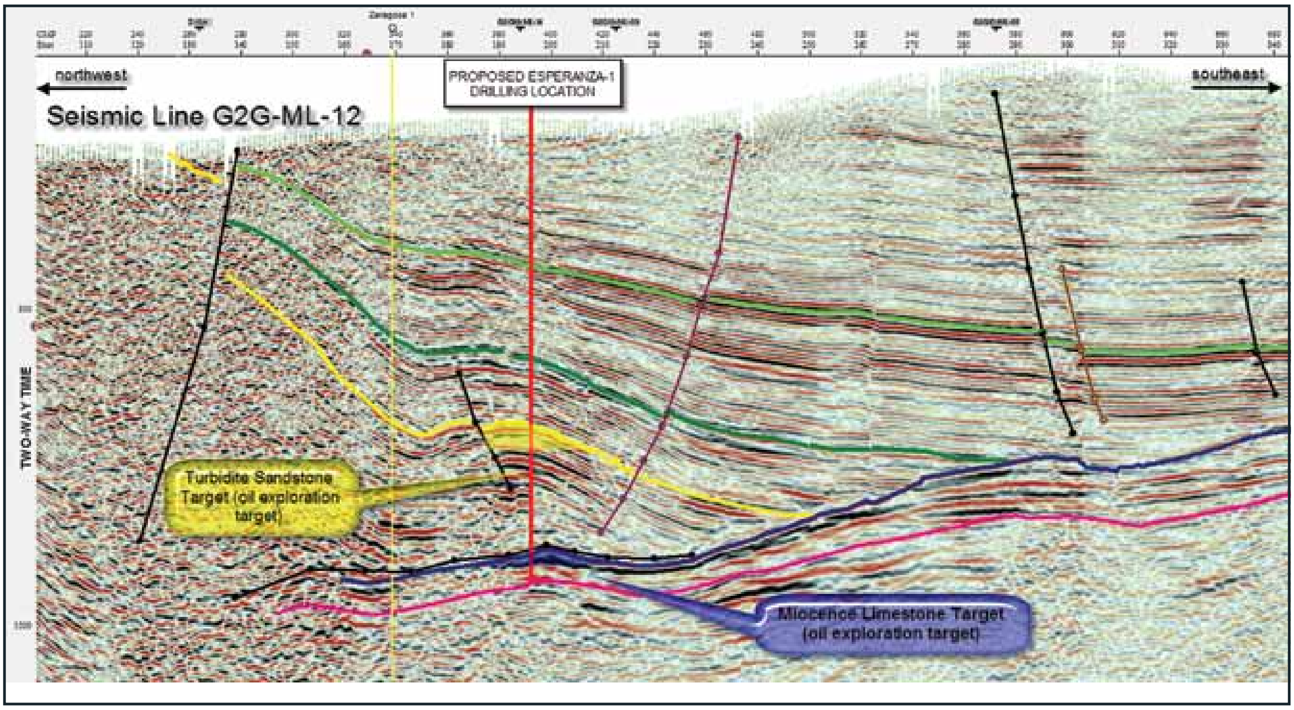

Figure 9 - Proposed Esperanza-1 drilling location, seismic line G2G-ML-12, showing both the turbidite sand structural target and the deeper carbonate target.

FRANCE – St. Griede, Onshore Aquitaine Basin (100%)

Data processing and interpretation of the 5,000 line kilometre aero-gravity survey that was acquired in November/December 2009 has been completed. In addition, the Company has reprocessed and interpreted nearly 750 kilometres of pre-existing seismic data. Seismic reprocessing attempted to enhance vintage data that was acquired over the period 1960-1984. All vintages of seismic data responded favourably to reprocessing and they will contribute to exploration evaluation. Aero-gravity and seismic data have been integrated and numerous structural hydrocarbon leads and prospects have been mapped.

Based on the successful results achieved with the initial seismic reprocessing, the Company is now purchasing and will reprocess the approximate 1,300 kilometres of remaining vintage seismic data within the St. Griede licence.

Structural traps attractive for oil and gas exploration in the Aquitaine Basin are generally cored by Triassic salt. Salt has a much lower density than the surrounding sedimentary rocks and gravity is a useful technique to determine areas of thick salt development. The regional aero-gravity survey will assist to define the location of thick salt accumulations and hence likely structural petroleum traps.

The Aquitaine Basin is a prolific hydrocarbon province with a long history of discovery and production. Over 13,000 petajoules (approximately 13 trillion cubic feet) of gas and 450 million barrels of liquid hydrocarbons have been produced from the basin, mainly by the large French Government-owned corporations. There has been a hiatus in exploration activity since the 1980s, but a resurgence of licensing activity and operations has occurred recently, coincident with the increase in both oil and natural gas prices. Three wells have been drilled in the Aquitaine Basin in the last 24 months but prior to that there had been no drilling in the basin for over 10 years. Markets and gas pipeline infrastructure are well developed and the commercialisation of even small discoveries is likely.

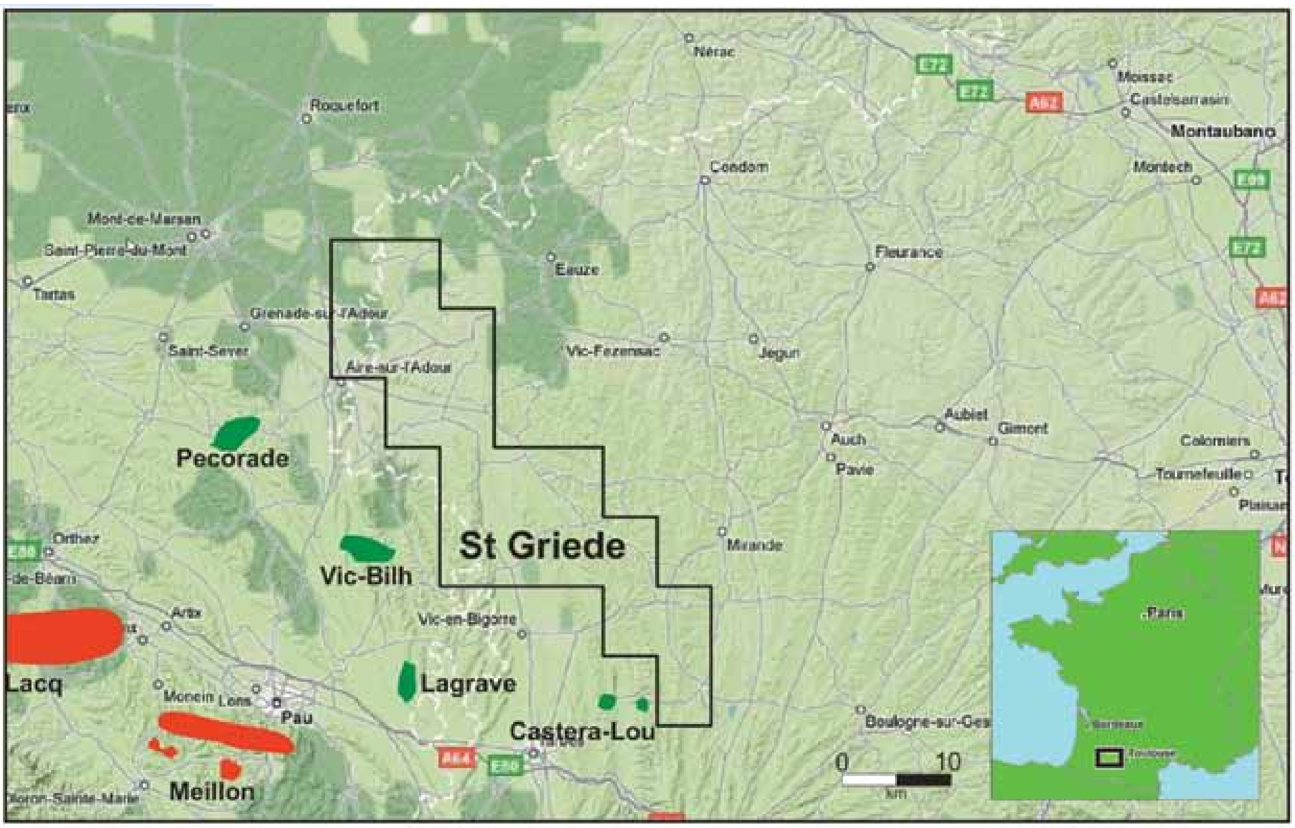

Figure 10 - Location Map – St. Griede Exploration Licence

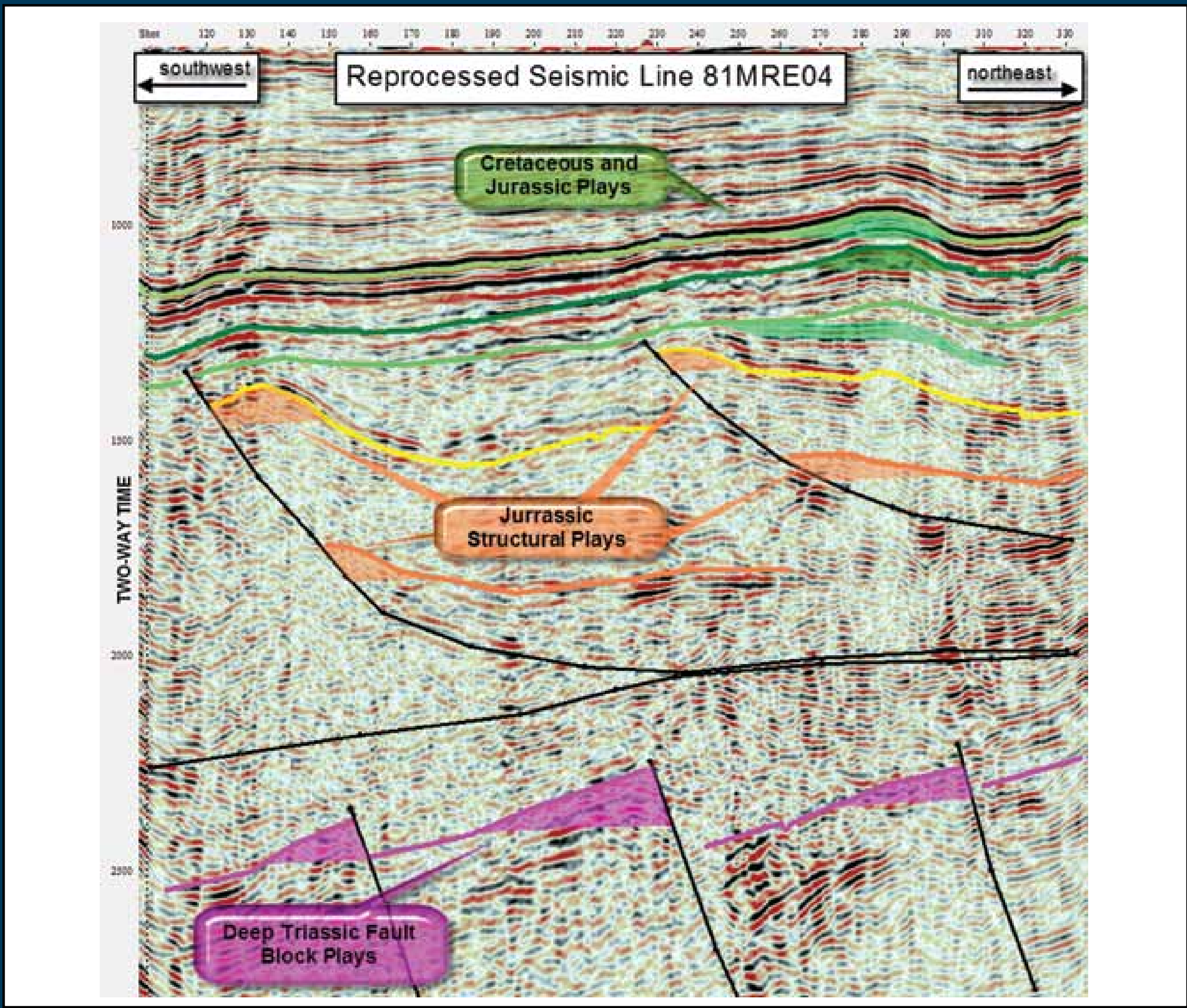

Figure 11 - St Griede reprocessed seismic line 81MRE04 in the northern part of the Licence showing the variety of prospective exploration plays currently being chased-up.

Figure 12 - District view of St. Griede

AUSTRALIA – EP 453, Onshore Canning Basin, Western Australia (100%)

The EP 453 licence conditions have been varied with the combination of the Year 2 and 3 commitments resulting in the requirement to acquire 200 kms new seismic data by 17th January, 2010. These conditions have not been met and the WA Government will be approached for a further variation of the licence terms.

The Company completed reprocessing all seismic data previously acquired over prospects and leads located within EP 453. These reprocessed data have been interpreted and target horizons mapped but no good drilling prospects have been delineated. Exploration drilling is not considered an option at this stage.

EP 453 contains shale formations that might be attractive for oil and gas exploitation. Canning Basin shale exploration activity has increased markedly in recent times in concert with similar activity levels in other Australian sedimentary basins. The Company has embarked on a technical review aimed at determining the oil and gas shale potential within EP 453.

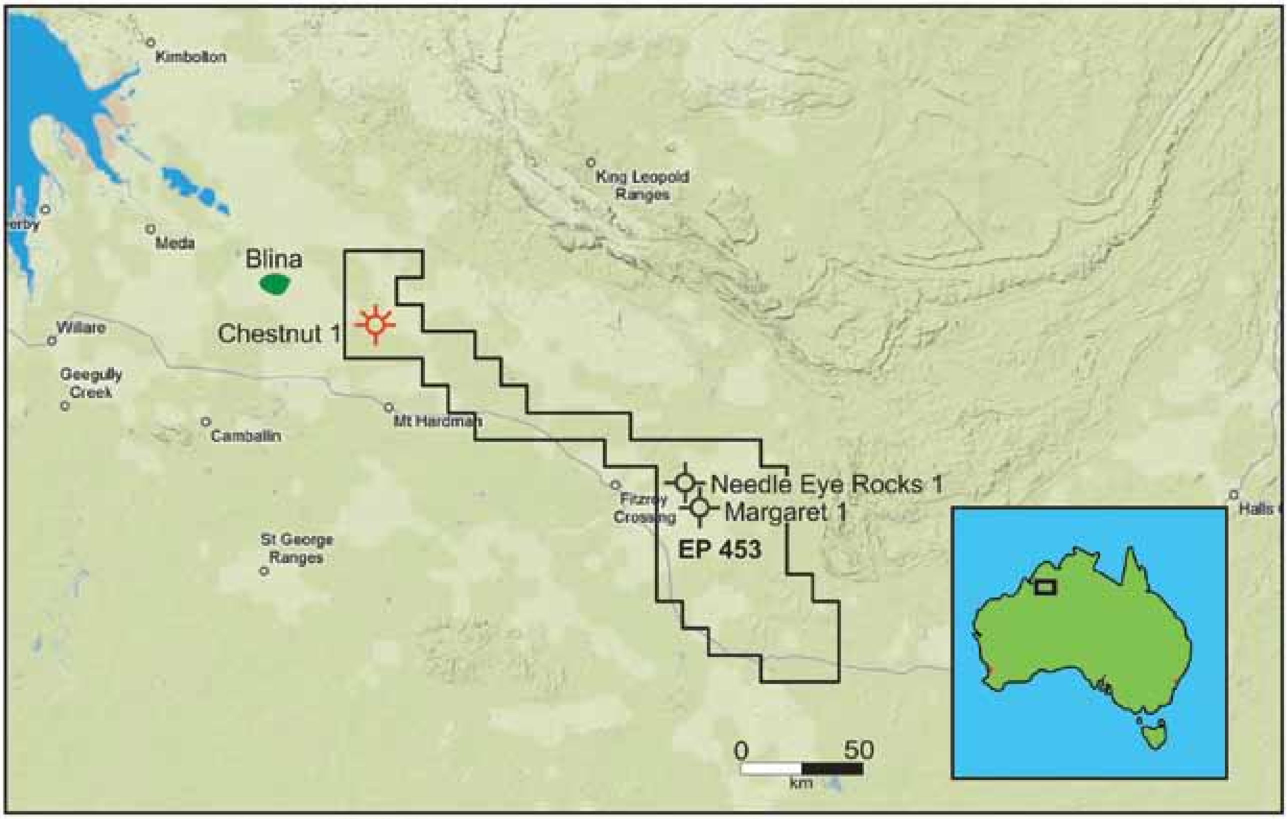

Figure 13 - Location of EP 453

This table on Corporate Governance Statement sets out the extent to which the Group has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Corporate Governance Statement is posted on the Group's website (www.gas2grid.com) for reference on disclosures.

	Principles and Recommendations	Compliance	Comment
1.	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complies	The Group's Corporate Governance Statement includes a Board Charter, which discloses the specific responsibilities of the Board. The Board delegates responsibility for the day to day operations and administration of the Group to the Managing Director.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Complies	The Board evaluates the performance of senior executives on an annual basis.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	Complies	There are no departures from the Recommendations 1.1, 1.2 and 1.3. The Corporate Governance Statement is posted on the Group's website.
2.	**Structure the Board to Add Value**		
2.1	A majority of the board should be independent directors.	Does not comply	The Board consists of four directors: three Non-Executive Directors (D A Munns, D W Reeder and P Sam Yue); and one Managing Director (D J Morton). D A Munns and D W Reeder are not independent directors because they have substantial shareholding interests in the Company. P Sam Yue is an independent director as he has no relationships with the other Directors or a substantial shareholder and does not have a substantial shareholding in the Company. The current stage of establishment and size of the Group does not justify the cost of increasing the number of directors.
2.2	The chair should be an independent director.	Does not comply	The Chairman is a non-executive and not considered to be independent because he has a substantial shareholding interest in the Company.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Complies	The Chairman is not an executive.
2.4	The board should establish a nomination committee	Does not comply	Given the present size of the Group, the existing Board structure is able to meet the needs of the Group in the examination of selection and appointment practices without the establishment of a nomination committee of the Board.

	Principles and Recommendations	Compliance	Comment
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Complies	The Board undertakes annual self assessment of its collective performance and the performance of the Chairman. The Chairman undertakes an annual assessment of the performance of individual directors. Any deficiency identified in a Director's performance is addressed directly with the relevant Director.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Complies	Explanation of departures from the Recommendations 2.1, 2.2 and 2.4 are set out in this section. There are no departures from the Recommendations 2.3, 2.5 and 2.6. The Corporate Governance Statement is posted on the Group's website.
3.	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Complies	The Group's Corporate Governance Statement includes a Code of Conduct on Ethical Standards, which provides a guide to ethical conduct of Directors and management.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Complies	The Group's Corporate Governance Statement includes a Code of Conduct on Securities Trading and a Securities Trading Policy has been lodged with the Australian Securities Exchange.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Complies	There are no departures from the Recommendations 3.1, 3.2 and 3.3. The Corporate Governance Statement is posted on the Group's website.

	Principles and Recommendations	Compliance	Comment
4.	**Safeguard integrity in financial reporting**		
4.1	The board should establish an Audit Committee.	Complies	The Board has established an Audit Committee, consisting of three Directors, to assist in matters relating to the audit functions and to safeguard the integrity of the Group's financial reporting.
4.2	The Audit Committee should be structured so that it: • consists of only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chairperson of the board • has at least three members.	Does not comply fully	The Audit Committee consists of 3 members as follows: • P Sam Yue – Chairman of the Audit Committee, Non-Executive and independent Director; • D A Munns – Non-Executive Director; and • D W Reeder - Non-Executive Director D A Munns and D W Reeder are not independent directors because they have substantial shareholding interests in the Company.
4.3	The audit committee should have a formal charter.	Complies	The Audit Committee has a formal charter (policy) that is included within the Corporate Governance Statement.
4.4	Companies should provide the information indicated in Guide to reporting on Principle 4.	Complies	Explanation of departure from the Recommendation 4.2 is set out in this section. There are no departures from the Recommendations 4.1, 4.3 and 4.4. The Corporate Governance Statement is posted on the Group's website.
5.	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies	The Group's Corporate Governance Statement states the policy and procedures to ensure compliance with ASX Listing Rule disclosure requirements. The Board has delegated the function of continuous disclosure as required under the ASX Listing Rule to the Managing Director and the Company Secretary to assess the type of information that needs to be disclosed and to ensure that Group's announcements are made in a timely manner, are factual, do not omit material information and are in compliance with the ASX Listing Rules. Information which is considered to be price sensitive is approved by the Board before its release.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Complies	There is no departure from the Recommendations 5.1 and 5.2. The Corporate Governance Statement is posted on the Group's website.

	Principles and Recommendations	Compliance	Comment
6.	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Complies	The Board's policy is for all investors to have equal and timely access to material information concerning the Group, including its financial position, performance, ownership and governance. The Board has established practices to facilitate communication with the Company's shareholders. The Managing Director oversees this process through the Group's website. Briefings are held with professional investors. Prior to such briefings, information to be given will be first released to ASX (if not previously released) and posted on the Group's website. All shareholders are notified in writing of general meetings and encouraged to attend and participate.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Complies	There is no departure from the Recommendations 6.1 and 6.2. The Corporate Governance Statement is posted on the Group's website.
7.	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complies	The Group's Corporate Governance Statement includes a business risk oversight and management policy. The Board monitors and receives advice as required on areas of operational and financial risk, and considers appropriate risk management strategies. Specific areas of risk that are identified are regularly considered by Board discussions. Included in these areas are performance of activities, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Complies	The Board requires the Managing Director to provide such a report at the relevant time.

	Principles and Recommendations	Compliance	Comment
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Complies	The Board requires the Managing Director to provide such a statement at the relevant time. The Chairman of the Audit Committee in the absence of an equivalent Chief Financial Officer reviews the existence and effective operations of risk management and internal control.
7.4	Companies should provide the information indicated in Guide to reporting on Principle 7.	Complies	There is no departure from the Recommendations 7.1, 7.2, 7.3 and 7.4. The Corporate Governance Statement is posted on the Group's website.
8.	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee	Complies	The Board has established a Remuneration Committee consisting of two Non-Executive Directors, D A Munns and P Sam Yue.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies	The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Remuneration Committee reviews the remuneration packages and policies applicable to all Directors and senior executives on an annual basis and makes recommendations to the Board. Where necessary, the Remuneration Committee will obtain independent advice.
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Complies	There is no departure from the Recommendations 8.1, 8.2 and 8.3. The Corporate Governance Statement is posted on the Group's website.

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Gas2Grid Limited and the entity it controlled at the end of, or during the year ended 30 June 2011.

Directors

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

D J Morton

D A Munns

P Sam Yue

D Reeder was appointed a Director on 7 December 2010

Principal activities

During the year the principal continuing activities of the Company consisted of oil and gas exploration in the Philippines, France and Australia.

Operating results

The consolidated loss of the Group after income tax was $2,258,301 (2010: $1,083,745).

Dividends – Gas2Grid Limited

The Directors report that during the year ended 30 June 2011 no dividends were declared or paid (2010: $nil).

Review of operations

A detailed review of the operations for the financial year is set out on pages 2 to 11.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:-

An increase in contributed equity of $3,150,064 as a result of:	
Issue of 76,927,404 fully paid ordinary shares at 0.025 cents each by way of rights issue	1,923,185
Less: transaction costs	(158,689)
Issue of 8,500,000 fully paid ordinary shares at 0.03 cents each as payment to Directors for outstanding management and Director's fees	255,000
Issue of 18,260,810 fully paid ordinary shares at 0.0496 cents each for exercise of options expiring 30 September 2011	905,736
Less: transaction costs	(8,459)
Issue of 4,774,685 fully paid ordinary shares at 0.05 cents each for exercise of options expiring 15 June 2012	238,734
Less: transaction costs	(5,443)
	$ 3,150,064

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review, not otherwise disclosed in this report or the Group financial statements.

Matters subsequent to the end of the financial year

Since 30 June 2011 Gas2Grid Limited has executed a binding agreement to purchase the 50% undivided interest in the St Griede licence, France, owned by Flow Energy Limited for $900,000 consideration.

Also on 6 September 2011 Gas2Grid Limited borrowed $500,000 under the facility provided by Budside Pty Ltd to be applied towards the cost of the 50% interest in St Griede.

Except for the above there are no other matters or circumstances which have arisen since 30 June 2011 that have significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

In relation to the Company's oil and gas exploration activities, no indication as to likely developments in the future can be given. The Group proposes to continue its oil and gas exploration programmes and investment activities.

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, development and production 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

D A Munns, Bachelor in Mechanical Engineering (Peterborough Technical College, United Kingdom). Chairman – Non-Executive.

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 and of the Remuneration Committee and member of the Audit Committee.

Interest in shares and options

28,856,900 ordinary shares in Gas2Grid Limited.
2,474,533 unlisted options in Gas2Grid Limited.

D J Morton BSc (Hons) (Macquarie University). Managing Director.

Experience and expertise

Dennis Morton was co-founder and until late in 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

None.

Former directorships of listed companies in last 3 years

Eastern Star Gas Limited from August 2000 to October 2007.
Orion Petroleum Limited from July 2007 to June 2011

Special responsibilities

Managing Director (since 31 March 2008).

Interest in shares and options

64,544,483 ordinary shares in Gas2Grid Limited.
24,455,274 unlisted options in Gas2Grid Limited.

Patrick Sam Yue, CA, FCIS, F Fin.
Non-Executive Director

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 20 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

Premium Exploration Inc. since January 2010.

Former directorships of listed companies in last 3 years

Ord River Resources Limited from December 2007 to September 2009.
Jupiter Mines Limited from November 2007 to November 2008.

Special responsibilities

Chairman of the Audit Committee and member of the Remuneration Committee.

Interest in shares and options

6,500,000 ordinary shares in Gas2Grid Limited.

D W Reeder
Non-Executive Director

Experience and expertise

Mr Reeder is a substantial shareholder holding 13.6% of the Company's issued capital and is a long-term supporter. He is based in Singapore controlling a successful oil field services business operating in South Asia.

Other listed company directorships

None

Former directorships of listed companies in last 3 years

None

Special responsibilities

Member of the Audit Committee.

Interest in shares and options

48,666,665 ordinary shares in Gas2Grid Limited.
29,666,665 unlisted options in Gas2Grid Limited.

Company secretary

The company secretary is Mr S J Danielson FCA, BBus. Mr Danielson was appointed to the position of company secretary in 2004. He is also the secretary of several other natural resource exploration companies listed on the Australian Securities Exchange.

Meetings of directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2011, and the number of meetings attended by each Director:

Meetings attended/held:	A/B
D A Munns	3/3
D J Morton	3/3
P Sam Yue	3/3
D W Reeder (appointed 7 December 2010)	1/1

A = Number of meetings attended

B = Number of meeting held during the time the Director held office

Remuneration report

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 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.

The Group has a remuneration committee which ensures that executive reward satisfies the following key criteria for good reward governance practices:

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

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2010. Directors' fees are determined within an aggregate fee pool limit, which currently stands at $150,000 per annum.

The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company.

Base fees	From 1 July 2010	From 1 July 2009 to 30 June 2010
Chairman	35,000	35,000
Other Directors (each)	25,000	25,000

Additional fees

In addition to base Directors' 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

Details of the remuneration paid or payable to the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group are set out in the following tables.

The key management personnel of the Group are the Directors.

2011	Short-term benefits		Post-employment benefits		Share-based payment		
Name	Directors' and Management Fees	Percentage of total remuneration	Super-annuation	Percentage of total remuneration	EIP Shares	Remuneration consisting of options	Total
	$	%	$	%	$	%	$
Executive Directors of Gas2Grid Limited and the Group							
D J Morton	145,000	100	-	-	-	-	145,000
Non-Executive Directors of Gas2Grid Limited and the Group							
D A Munns, Chairman	35,000	9	-	-	366,700	91	401,700
P Sam Yue	121,000	25	-	-	366,700	75	487,700
D W Reeder (appointed 7 December 2010)	14,212	100	-	-	-	-	14,212
Total	315,212	100	-	-	733,400	-	1,048,612

Directors' fees continue to be accrued for D J Morton, D A Munns, P Sam Yue and D W Reeder. Management fees continue to accrue for D J Morton and P Sam Yue. Management fees of $116,309 are due and payable at year end with payments during the year of $189,259 paid in shares $74,217 paid in cash. Directors' fees of $73,412 are due and payable at year end with $65,741 paid in shares and $80,210 paid in cash during the year.

2010	Short-term benefits		Post-employment benefits		Share-based payment		
Name	Directors' and Management Fees	Percentage of total remuneration	Super-annuation	Percentage of total remuneration	Options	Remuneration consisting of options	Total
	$	%	$	%	$	%	$
Executive Directors of Gas2Grid Limited and the Group							
D J Morton	145,000	100	-	-	-	-	145,000
Non-Executive Directors of Gas2Grid Limited and the Group							
D A Munns, Chairman	35,000	100	-	-	-	-	35,000
P Sam Yue (appointed 9 October 2009)	88,086	100	-	-	-	-	88,086
R D Langusch (resigned 9 October 2009)	33,178	100	-	-	-	-	33,178
Total	301,264	100	-	-	-	-	301,264

Directors' fees continue to be accrued for D J Morton, D A Munns and P Sam Yue. Management fees continue to accrue for D J Morton and P Sam Yue. Management fees of $151,435 have been accrued for the year with $30,000 paid in shares and $34,824 paid in cash. Directors' fees of $63,150 have been accrued for the year with $150,000 paid in shares and $6,855 paid in cash. Prior period Directors' and management fees of $328,750 were paid in shares on 27 November 2009. R D Langusch was paid all outstanding Directors' fees and management fees for the year upon retirement.

C Service agreements

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

D Share-based compensation

Employee Incentive Plan

The Company has established a Gas2Grid Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons. The Directors may also offer interest free 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 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.

The maximum total number of options and shares that may be offered or issued under the plan may not exceed 10% of the issued shares of the Company. The shares issued under the plan rank pari passu with other issued ordinary shares and are not listed while there are loans outstanding on the subscription of the shares. Executives participate in the Gas2Grid Limited Employee Incentive Plan at the invitation of the Board after a review of performance. Directors may participate in the Plan subject to approval of shareholders. A total of 12,750,000 ordinary shares, subject to a holding lock, were granted under the plan during the financial year.

Other transactions of Directors and Director-related entities

Refer to note 19 of the financial statements for details of other transactions with key management personnel.

E Additional Information

Loans to Directors

There are no outstanding loans to Directors and no loans have been issued during the period, other than non-recourse loans structured under the Employee Incentive Plan.

Shares under option

Unissued ordinary shares of Gas2Grid Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price per share	Number of shares under option
25 March 2010	30 September 2011	$0.0496	33,200,000
22 November 2010	15 June 2012	$0.05	71,891,909

The options granted on 25 March 2010 were made under a private placement. The options granted on 22 November 2010 were issued under a non-renounceable entitlements issue.

Insurance of officers

During the financial year, a premium of $35,000 was paid to insure the Directors of the Company and the consolidated entity.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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 Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PwC) for audit services provided during the year are set out in note 18 to the financial statements.

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

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Dennis Morton
Director
Sydney
13 September 2011

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Gas2Grid Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Gas2Grid Limited and the entities it controlled during the period.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
13 September 2011

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Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Gas2Grid Limited and its subsidiary. 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 17, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 13 September 2011. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.gas2grid.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Notes	2011 $	2010 $
Revenue from continuing operations	5	**13,981**	26,290
Impairment of deferred exploration expenditure		**(529,010)**	-
Administration expense		**(340,284)**	(331,855)
Auditor's remuneration	18	**(63,972)**	(57,140)
Merger costs		**(190,989)**	(484,241)
Employee benefits expense		**(99,212)**	(85,000)
Depreciation	6	**(4,143)**	(3,244)
Insurance costs		**(33,622)**	(27,600)
Rental expenses		**(37,900)**	(31,203)
Share-based payments	14	**(831,668)**	-
Travelling expenses		**(6,574)**	(29,627)
Other expenses		**(134,908)**	(60,125)
Loss before income tax		**(2,258,301)**	(1,083,745)
Income tax expense	7	**-**	-
Loss from continuing operations		**(2,258,301)**	(1,083,745)
Other comprehensive income			
Exchange differences on translation of foreign operations		**(1,036,211)**	(297,676)
Other comprehensive loss for the year, net of tax		**(1,036,211)**	(297,676)
Total comprehensive loss for the year		**(3,294,512)**	(1,381,421)
Loss for the year attributable to the owners of Gas2Grid Limited		**(2,258,301)**	(1,083,745)
Total comprehensive loss for the year is attributable to:			
owners of Gas2Grid Limited		**(3,294,512)**	(1,381,421)
		(3,294,512)	(1,381,421)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings (loss) per share	24	**(0.96)**	(0.57)
Diluted earnings (loss) per share	24	**(0.96)**	(0.57)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

As at 30 June 2011

	Notes	2011 $	2010 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**1,374,931**	569,858
Trade and other receivables	9	**141,418**	182,603
Other financial assets at fair value	10	**2,153**	2,534
Total current assets		**1,518,502**	754,995
Non-current assets			
Plant and equipment	11	**11,331**	4,399
Exploration expenditure and rights	12	**7,442,753**	7,802,919
Total non-current assets		**7,454,084**	7,807,318
Total assets		**8,972,586**	8,562,313
LIABILITIES			
Current liabilities			
Trade and other payables	13	**550,623**	825,578
Total current liabilities		**550,623**	825,578
Total liabilities		**550,623**	825,578
Net assets		**8,421,963**	7,736,735
EQUITY			
Contributed equity	15 (a)	**16,571,573**	13,421,509
Reserves	16(a)	**(921,255)**	(714,720)
Accumulated losses	16(b)	**(7,228,355)**	(4,970,054)
Total equity		**8,421,963**	7,736,735

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

For the year ended 30 June 2011

Consolidated	Contributed Equity $	Accumulated Losses $	Reserves $	Total Equity $
As at 1 July 2009	10,716,532	(3,886,309)	(417,044)	6,413,179
Total comprehensive loss income for the year	-	(1,083,745)	(297,676)	(1,381,421)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,704,977	-	-	2,704,977
As at 30 June 2010	13,421,509	(4,970,054)	(714,720)	7,736,735
As at 1 July 2010	13,421,509	(4,970,054)	(714,720)	7,736,735
Total comprehensive loss for the year	-	(2,258,301)	(1,036,211)	(3,294,512)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	3,150,064	-	-	3,150,064
Employee Incentive Plan	-	-	829,676	829,676
As at 30 June 2011	**16,571,573**	**(7,228,355)**	**(921,255)**	**8,421,963**

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

For the year ended 30 June 2011

	Notes	2011 $	2010 $
Cash flows from operating activities			
Interest received		**13,947**	26,290
Payments to suppliers and employees (inclusive of goods and services tax)		**(810,479)**	(762,655)
Net cash outflow from operating activities	23	**(796,532)**	(736,365)
Cash flows from investing activities			
Exploration expenditure		**(1,272,098)**	(1,771,745)
Payments for plant and equipment		**(11,075)**	(5,082)
Net cash outflow from investing activities		**(1,283,173)**	(1,776,827)
Cash flows from financing activities			
Proceeds from issues of shares		**3,075,384**	2,365,488
Share issue transaction costs		**(164,243)**	(44,461)
Share-based payment transaction costs		**(1,992)**	-
Net cash inflow from financing activities		**2,909,149**	2,321,027
Net (decrease) increase in cash and cash equivalents		**829,444**	(192,165)
Cash and cash equivalents at the beginning of the financial year		**569,858**	784 ,256
Effects of exchange rate changes on cash and cash equivalents		**(24,371)**	(22,233)
Cash and cash equivalents at end of financial year	8	**1,374,931**	569,858

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

1. 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 subsidiary.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Gas2Grid Limited complies with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

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 3.

Ongoing Funding

As an exploration company, Gas2Grid Limited requires ongoing funding to support its exploration activities from time to time. At balance date, the Company had working capital of $967,879. Subsequent to balance date, the Group borrowed $500,000 under a loan agreement as disclosed in note 22 towards an undertaking of $900,000 and has planned to raise fresh equity capital to fulfil existing expenditure commitments. While the Directors believe additional equity capital will be raised, at the date of this report there is material uncertainty regarding the Company's ability to continue as a going concern. The financial report has been prepared on a going concern basis and accordingly no adjustments have been made relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company 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 2011 and the results of its subsidiary for the year then ended. Gas2Grid Limited and its subsidiary 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 the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another 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 (refer to note 1(v)).

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.

(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 income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- *assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;*
- *income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and*
- *all resulting exchange differences are recognised in other comprehensive income.*

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(f) 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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.

(g) 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 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.

(h) 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 balance sheet.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(j) Investments and other financial assets

Classification

The Group classifies its investments in the following categories; financial assets at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non current assets. Loans and receivables are included in receivables in the balance sheet.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

(k) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(l) Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line or diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Furniture, fittings and equipment	3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(m) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the Group's investment in each country of operation by each primary reporting segment.

(n) Trade and other payables

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 usually paid within 30 days of recognition.

(o) Employee benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Share-based payments

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

The fair value of options granted under an employee incentive plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options 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.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(p) 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.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit 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.

(r) Investment in subsidiary

Investments in subsidiary is accounted for at cost. Such investment includes both investment in shares issued by the subsidiary and other Parent Entity interests that in substance form part of the Parent Entity's investment in the subsidiary. These include investments in the form of interest-free loans which have no fixed repayment terms and which have been provided to subsidiaries as an additional source of long term capital. Trade amounts receivable from the subsidiary in the normal course of business and other amounts advanced on commercial terms and conditions are included in receivables.

(s) Goods and Services 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 balance sheet.

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.

(t) 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.

(u) Exploration expenditure

Exploration expenditure is carried forward when it is incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

- the expenditure is expected to be recouped by the Company through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable mineral reserves, and active and significant operations in, or in relation to, the area are continuing.

Cumulative exploration expenditure which no longer satisfies the above policy is no longer carried forward as an asset, but is charged against, and shown as a deduction from, operating result.

(v) Business combinations

The acquisition method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, when it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(m(i)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(w) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013). AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Group did not recognise any such gains in other comprehensive income.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Group has not yet decided when to adopt AASB 9.

(ii) *AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013). On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Gas2Grid Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the Group.

(iii) *AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011). Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on the Group's disclosures. The Group intends to apply the amendment from 1 July 2011.

(iv) AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 *Income Taxes* to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Group will apply the amendment from 1 July 2012. The Group does not expect this amendment to have any material impact on the consolidated 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.

2. 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 rates risk and credit risks faced by the Group are considered minimal at this stage.

The Group holds the following financial instruments:

	2011 $	2010 $
Financial assets		
Cash and cash equivalents	**1,374,931**	569,858
Trade and other receivables	**141,418**	182,603
Other financial assets at fair value	**2,153**	2,534
	1,518,502	754,995
Financial liabilities		
Trade and other payables	**550,623**	825,578
	550,623	825,578

(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 entity's functional currency and net investments in foreign operations. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the reporting date, other than translation of overseas subsidiaries, was not material.

ii) Cash flow and fair value interest rate risk

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 2011, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $13,749 lower/higher (2010 - change of 100 bps: $5,699 lower/higher), as a result of lower/higher interest income from cash and cash equivalents and deposits with banks.

(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

The Group had access to an undrawn borrowing facility bearing interest at a fixed rate of 9% allowing the drawing of up to $500,000 until 30 September 2012:

Maturities of financial liabilities

The tables below analyse 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 are the contractual cash flows.

	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 (assets) / liabilities
	$	$	$	$	$	$	$
At 30 June 2011							
Non-derivatives							
Non-interest bearing	550,623	-	-	-	-	550,623	550,623
Variable rate	-	-	-	-	-	-	-
Total non-derivatives	550,623	-	-	-	-	550,623	550,623
At 30 June 2010							
Non-derivatives							
Non-interest bearing	825,578	-	-	-	-	825,578	825,578
Variable rate	-	-	-	-	-	-	-
Total non-derivatives	825,578	-	-	-	-	825,578	825,578

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. 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.

(a) Critical accounting estimates and assumptions

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.

(i) Estimated impairment of exploration expenditure

The Group tests semi-annually whether exploration expenditure carried forward has suffered any impairment, in accordance with the accounting policy stated in note 1(u).

4. Segment reporting

The Group operates as a petroleum exploration company performing exploratory drilling of wells and seismic gravity surveys in the Philippines, France, New Zealand and Western Australia. The Group manages these activities from its head office in Sydney, Australia, a branch office in Manilla, Philippines and an office in Singapore.

	Revenue		Segment Results		Segment Assets		Segment Liabilities	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$	$	**$**	$	**$**	$	**$**	$
Australia	**13,981**	26,290	**(2,202,381)**	(1,037,585)	**1,529,761**	1,181,576	**315,342**	535,069
Singapore	**-**	-	**(10,126)**	(46,160)	**-**	50,949	**-**	29,286
France	**-**	-	**(37,194)**	-	**781,891**	710,896	**3,080**	-
New Zealand	**-**	-	**(8,600)**	-	**-**	45,183	**-**	-
Philippines	**-**	-	**-**	-	**6,660,934**	6,573,709	**232,201**	261,223
Consolidated	**13,981**	26,290	**(2,258,301)**	(1,083,745)	**8,972,586**	8,562,313	**550,623**	825,578

	2011 $	2010 $
5. Revenue		
From continuing operations		
Other revenue		
Interest	**13,981**	26,290
	13,981	26,290
6. Expenses		
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**4,143**	3,244
Net foreign exchange loss	**57,101**	2,913
7. Income tax expense		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(2,258,301)**	(1,083,745)
Tax at the Australian tax rate of 30% (2010- 30%)	**(677,490)**	(325,124)
Deferred tax asset not recognised/(brought to account)	**677,490**	325,124
Income tax expense	**-**	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**(10,470,002)**	(6,556,045)
Potential tax benefit @ 30%	**3,141,001**	1,966,814
8. Current assets - Cash and cash equivalents		
Cash at bank and in hand	**1,374,931**	569,858
9. Current assets - Trade and other receivables		
Other receivables	**110,251**	161,721
Prepayments	**31,167**	20,882
	141,418	182,603
10. Current assets – Other financial assets at fair value		
At beginning of financial year	**2,534**	2,600
Foreign exchange difference on translation	**(381)**	(66)
At end of the financial year	**2,153**	2,534
Philippines Treasury Bills	**2,153**	2,534

a) Credit risk

There is no significant credit risk with respect to receivables.

	2011 $	2010 $
11. Non-current assets – Plant and equipment		
Furniture, fittings and equipment		
Balance at beginning of financial year	**4,399**	2,561
Additions	**11,075**	5,082
Depreciation charge	**(4,143)**	(3,244)
Balance at end of financial year	**11,331**	4,399
Cost or fair value	**21,373**	10,298
Accumulated depreciation	**(10,042)**	(5,899)
Net book amount	**11,331**	4,399
12. Non-current assets – Exploration expenditure and rights		
Exploration expenditure and rights		
At cost	**7,442,753**	7,802,919
Reconciliation of the carrying amount of exploration expenditure and rights		
Exploration expenditure and rights:		
Carrying amount at beginning of financial year	**7,802,919**	6,018,178
Exploration expenditure and rights	**1,311,643**	2,055,511
Exploration expenditure and rights written off	**(529,010)**	-
Foreign exchange difference	**(1,142,799)**	(270,770)
Carrying amount at end of financial year	**7,442,753**	7,802,919
13. Current liabilities – Trade and other payables		
Trade payables	**360,902**	550,838
Fees owing to Directors	**189,721**	274,740
	550,623	825,578
At balance date the fees owing to Directors were as follows		
D A Munns	**20,417**	26,250
D J Morton	**93,042**	169,168
P Sam Yue	**62,050**	79,322
D W Reeder	**14,212**	-
	189,721	274,740

14. Share based payments

The Company has established a Gas2Grid Limited Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons. The Directors may also offer interest free 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. Refer to the Remuneration Report contained in the Directors' Report for details of the Gas2Grid Limited Employee Incentive Plan. The amounts issued to eligible persons under the plan during the year were 12,500,000 shares at $0.05 per share with loans totalling $625,000 and 250,000 shares at $0.055 per share with a loan totalling $13,750. There are no vesting conditions.

	2011 Number	2010 Number
Balance at the beginning of year	**-**	-
Granted during the year	**12,750,000**	-
Balance at the end of year	**12,750,000**	-

The model inputs for assessing the fair value of shares granted under the Gas2Grid Limited Employee Incentive Plan (EIP), applying the Black-Scholes Option Pricing Model, during the year are as follows:

Shares issued under EIP	Issue and grant date	Share price at grant date $	Life assumption	Risk free rate	Expected price volatility of Company's share price	Value of option $	Value of share based payment $
2,500,000	10/12/10	0.036	5 years	5.31%	131.2%	0.0307	76,625
250,000	19/01/11	0.094	5 years	5.35%	136.8%	0.0866	21,643
5,000,000	21/01/11	0.08	5 years	5.37%	137.5%	0.0733	366,700
5,000,000	21/01/11	0.08	5 years	5.37%	137.5%	0.0733	366,700
							831,668

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

15. Contributed equity

	Notes	**2011 Shares**	2010 Shares	**2011 $**	2010 $
(a) Share capital					
Ordinary shares- fully paid	(b),(c)	**356,272,231**	235,059,332	**16,571,573**	13,421,509
Total contributed equity				**16,571,573**	13,421,509

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

(b) Movements in ordinary share capital:

	Details	Notes	Number of shares	Issue price $	$
	Balance at beginning of financial year		235,059,332		13,421,509
18 Nov 2010	Rights issue	(d)	76,927,404	$0.025	1,923,185
10 Dec 2010	Shares issued under EIP	(e)	2,500,000	-	-
18 Jan 2011	Exercise of Options – 15 June 2012		133,333	0.05	6,667
19 Jan 2011	Shares issued under EIP	(e)	250,000	-	-
21 Jan 2011	Shares issued under EIP	(e)	10,000,000	-	-
20 Jan 2011	Shares issued	(f)	8,500,000	$0.03	255,000
21 Jan 2011	Exercise of Options – 30 Sept 2011		5,200,000	0.05	257,920
21 Jan 2011	Exercise of Options – 15 June 2012		249,966	0.05	12,498
16 Feb 2011	Exercise of Options – 15 June 2012		58,033	0.05	2,902
16 Feb 2011	Exercise of Options – 30 Sept 2011		800,000	0.05	39,680
29 Mar 2011	Exercise of Options – 30 Sept 2011		260,810	0.05	12,936
30 April 2011	Exercise of Options – 30 Sept 2011		8,000,000	0.05	396,800
20 April 2011	Exercise of Options – 15 June 2012		20	0.05	1
10 May 2011	Exercise of Options – 15 June 2012		333,333	0.05	16,666
28 June 2011	Exercise of Options – 15 June 2012		2,000,000	0.05	100,000
30 June 2011	Exercise of Options – 30 Sept 2011		4,000,000	0.05	198,400
30 June 2011	Exercise of Options – 15 June 2012		2,000,000	0.05	100,000
	Less: Transaction costs				(172,591)
	Balance at end of financial year		356,272,231		16,571,573

(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) Rights issue

On 5 October 2010 the Company invited its shareholders to subscribe to a rights issue of ordinary shares at an issue price of $0.025 per share on the basis of 1 share for every 3 fully paid ordinary shares held, with such shares to be issued on, and rank for dividends after, 22 November 2010. The issue was fully subscribed and 76,927,404 shares were issued.

(e) Employee incentive plan

Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 14.

(f) Share issue

On 20 January 2011, the Company issued 8,500,000 fully paid ordinary shares at $0.03 per share. These shares were issued to Directors as payment for Directors' and management fees outstanding. The shares were approved for issue at a general meeting held on 20 January 2011 at a price based on the 30 day volume weighted average price preceding the date of the notice of general meeting.

(g) Options

Unlisted Options:

There are 34,000,000 unlisted options on issue with an exercise price of $0.0496 per ordinary share, exercisable on or before 30 September 2011. The options were granted on 25 March 2010 under a private placement offer of securities. The options were granted at an exercise price of $0.05 per share and adjusted to $0.0496 per share under the terms and conditions of the options on completion of the rights issue in November 2010

There are 71,891,909 unlisted options on issue with an exercise price of $0.05 per ordinary share, exercisable on or before 15 June 2012. The options were granted on 22 November 2010 for each new share issued under the non-renounceable rights issue prospectus dated 5 October 2010.

	2011 $	2010 $
16. Reserves and accumulated losses		
(a) Reserves		
Share-based payments reserve	**913,676**	84,000
Foreign currency translation reserve	**(1,834,931)**	(798,720)
	(921,255)	(714,720)
Movements:		
Share-based payment reserve		
Balance at beginning of financial year	**84,000**	84,000
Option expense	**831,668**	-
Less: costs of issue	**(1,992)**	-
Balance at end of financial year	**913,676**	84,000
Foreign currency translation reserve		
Balance at beginning of financial year	**(798,720)**	(501,044)
Currency translation differences arising during the year	**(1,036,211)**	(297,676)
Balance at end of financial year	**(1,834,931)**	(798,720)

	2011 $	2010 $
(b) Accumulated losses		
Movements in retained profits were as follows:		
Balance at beginning of financial year	**(4,970,054)**	(3,886,309)
Loss for the year	**(2,258,301)**	(1,083,745)
Balance at end of financial year	**(7,228,355)**	(4,970,054)

(c) Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

(ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign subsidiary are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

17. Commitments

(a) Exploration commitments

In order to maintain current rights to tenure to exploration tenements, the Company has the following exploration expenditure commitments up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases are not provided for in the financial statements and are payable:-

	2011 $	2010 $
Not later than one year	**2,934,132**	3,302,782
Later than one year but not later than 5 years	**827,335**	1,225,760
	3,761,467	4,528,542

18. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity and its related firm:

(a) Assurance services

	2011 $	2010 $
Audit services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**50,300**	39,850
Related practices of PricewaterhouseCoopers Australian firm	**10,172**	17,290
Edwin Lee & Co, Certified Public Accountants	**3,500**	-
Total remuneration for audit services	**63,972**	57,140

No non-audit services were provided.

19. Key management personnel disclosures

(a) Key management personnel compensation

	2011 $	2010 $
Directors' remuneration	**1,048,612**	301,264

The Company has taken advantage of the relief provided by the Corporations Regulations and has transferred the detailed remuneration disclosures to the Directors' report. The relevant information can be found in sections A-C of the remuneration report on pages 20 to 21.

(b) Equity instruments disclosures relating to key management personnel

(i) Options provided as remuneration

Details of options provided as remuneration, together with terms and conditions of the options, can be found in section D of the remuneration report on page 20.

(ii) Option holdings

The number of options, both listed and unlisted, over ordinary shares in the Company held during the financial year by each Director of Gas2Grid Limited, including their related parties, are set out below.

	Balance at the beginning of the financial year	Granted during the year as compensation	Exercised during the year	Other changes	Balance at the end of the financial year	Vested and exercisable during the year
2011						
Name						
Directors of Gas2Grid Limited						
D A Munns	6,711,800	4,474,533	(2,000,000)	(6,711,800)	2,474,533	2,474,533
D J Morton	17,604,066	26,455,274	(2,000,000)	(17,604,066)	24,455,274	24,455,274
P Sam Yue	-	-	-	-	-	-
D W Reeder	11,666,665	20,000,000	(2,000,000)	-	29,666,665	29,666,665
2010						
Name						
Directors of Gas2Grid Limited						
D A Munns	6,711,800	-	-	-	6,711,800	6,711,800
D J Morton	17,604,066	-	-	-	17,604,066	17,604,066
P Sam Yue	-	-	-	-	-	-

(iii) Share holdings

The number of shares in the Company held during the financial year by each Director of Gas2Grid Limited, including their related parties are set out below.

	Balance at the beginning of the financial year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the financial year
2011				
Name				
Directors of Gas2Grid Limited				
D A Munns(i)	16,021,256	2,000,000	10,835,644	28,856,900
D J Morton (ii)	30,450,320	2,000,000	32,094,163	64,544,483
P Sam Yue (iii)	-	-	6,500,000	6,500,000
D W Reeder	46,666,665	2,000,000	-	48,666,665
2010				
Name				
Directors of Gas2Grid Limited				
D A Munns	13,423,600	-	2,597,656	16,021,256
D J Morton	27,208,132	-	3,242,188	30,450,320
P Sam Yue	-	-	-	-

(i) 2,597,656 shares are registered in the name of TD International SA.

(ii) 54,582,677 shares and 23,374,545 options are registered in the name of Budside Pty Limited Employees Superannuation Fund. 9,961,806 shares and 1,080,729 options are registered in the name of Budside Pty Ltd

(iii) 1,500,000 shares are registered in the name of Oni Design Pty Ltd.

(c) Loans to key management personnel

During the year non-recourse loans were issued under the Employee Incentive Plan as discussed at note 14. Total loans outstanding to key management personnel at balance date were $250,000 to Patrick Sam Yue and $250,000 to David Munns.

(d) Other transactions with key management personnel

D J Morton, D A Munns and P Sam Yue were issued shares during the year as payment for accrued Directors' and management fees. D J Morton was issued 5,638,889 ordinary shares as payment for $169,167 in outstanding fees. D A Munns was issued 1,361,111 ordinary shares as payment for $40,833 outstanding fees. P Sam Yue was issued 1,500,000 ordinary shares as payment for $45,000 outstanding fees.

During the year consultancy fees of $120,000, for services rendered by and Directors' fees of $25,000 for D J Morton were due and payable to Budside Pty Ltd, a company controlled by D J Morton. $93,042 was owing to Budside Pty Ltd at balance date.

During the year consultancy fees of $96,000 for services rendered by and Directors' fees of $25,000 for Patrick Sam Yue were due and payable to Oni Design Pty Ltd, a company controlled by Patrick Sam Yue. $62,050 was owing to Oni Design Pty Ltd at balance date.

During the year Directors' fees of $25,000 for David Munns were due and payable to T D International SA, a company controlled by David Munns. $20,417 was owing to T D International at balance date.

During the year Directors' fees of $14,212 for Darren Reeder were due and payable.

During the year, charges for goods and services amounting to $46,625 for exploration activities were due and payable to Desco Incorporated and TD International SA, firms associated with D A Munns.

	2011 $	2010 $
Amounts recognised as expense		
Management fees to Langusch & Associates Pty Ltd	**-**	26,323
Management fees to Budside Pty Ltd	**120,000**	120,000
Management fees to Oni Design Pty Ltd	**96,000**	69,935
	216,000	216,258
Amounts recognised as non-current assets		
Exploration expenditure for services performed and goods provided by Desco Incorporated	**43,575**	100,344
Exploration expenditure for services paid by TD International on behalf of the Group	**3,050**	35,842
	46,625	136,186

20. Related party transactions

(a) Parent entities

The Parent Entity within the Group is Gas2Grid Limited and this is also the ultimate Parent Entity within the Group.

(b) Subsidiary

Interest in subsidiary is set out in note 21.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

(d) Loans to related parties and investments in subsidiaries

	2011 $	2010 $
Investment by Parent Entity in subsidiary		
At beginning of financial year	**3,789,714**	3,789,714
Additional investment in subsidiary	**-**	-
Impairment of investment in subsidiary	**(3,789,714)**	-
At end of financial year	**-**	3,789,714

21. Subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1(b).

Name of entity	Country of incorporation	Class of shares	Equity holding* 2011 %	Equity holding* 2010 %
Gas2Grid Pte Limited	Singapore	Ordinary	**100**	100

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

22. Events occurring after the balance sheet date

(i) On 31 August 2011, the Company entered into a binding agreement to purchase the 50% undivided interest in the St Griede licence, France, owned by Flow Energy Limited.

The consideration for the acquisition is $900,000 cash representing primarily Flow Energy Limited's share of accumulated exploration expenditure in the licence since it was awarded in May 2008 to both Gas2Grid Limited and Flow Energy Limited (formerly ASX listed Gippsland Offshore Petroleum Limited) with each company holding an undivided 50% interest.

(ii) On 6 September 2011, Gas2Grid Limited borrowed $500,000 under the facility provided by Budside Pty Ltd to be applied towards the cost of the 50% interest in St Griede.

Except for the above there are no other matters or circumstances which have arisen since 30 June 2011 which significantly affected, or may significantly affect:

a) the Group's operations in future financial years, or

b) the results of those operations in future financial years, or

c) the Group's state of affairs in future financial years.

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

	2011 $	2010 $
Loss for the year	**(2,258,301)**	(1,083,745)
Depreciation and amortisation	**4,143**	3,244
Directors' fees paid by way of share issue	**255,000**	-
Impairment of deferred exploration expenditure	**529,010**	-
Licence application costs	**37,194**	-
Net exchange differences	**56,486**	2,915
Share based payment	**831,668**	-
Change in operating assets and liabilities		
Decrease in trade and other receivables	**37,319**	332,452
(Decrease) Increase in trade and other payables	**(278,766)**	7,982
(Increase) Decrease in prepayments	**(10,285)**	787
Net cash outflow from operating activities	**(796,532)**	(736,365)

24. Earnings per share

	2011 Cents	2010 Cents
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	**(0.96)**	(0.57)
Loss attributable to the ordinary equity holders of the Company	**(0.96)**	(0.57)
(b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	**(0.96)**	(0.57)
Loss attributable to the ordinary equity holders of the Company	**(0.96)**	(0.57)
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Loss from continuing operations	**(2,258,301)**	(1,083,745)
Loss from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**(2,258,301)**	(1,083,745)
Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**(2,258,301)**	(1,083,745)
Loss from continuing operations attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**(2,258,301)**	(1,083,745)

	2011 Number	2010 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**296,368,098**	191,386,178
Adjustments for calculation of diluted earnings per share:		
Options	**-**	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**296,368,098**	191,386,178

24. Earnings per share (continued)

(e) Information concerning the classification of securities

(i) Options

The 105,891,909 unlisted options are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2011. These options could potentially dilute basic earnings per share in the future. Details relating to the options are set out in note 15 (g).

25. Parent entity financial information

a) Summary financial information

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

	2011 $	2010 $
Balance Sheet		
Current assets	**1,518,502**	704,046
Total assets	**8,972,586**	5,951,203
Current liabilities	**550,623**	535,069
Total liabilities	**550,623**	535,069
Shareholders' equity		
Issued capital	**20,359,476**	17,209,412
Reserves		
Share based payments	**913,676**	84,000
Accumulated losses	**(12,851,189)**	(11,877,278)
	8,421,963	5,416,134
Loss for the year	**(973,911)**	(2,141,701)
Total comprehensive income	**(973,911)**	(2,141,701)

b) Guarantees entered into by the Parent Entity

The Parent Entity has not entered into any financial guarantees as at 30 June 2011 or 30 June 2010.

c) Contingent liabilities of the Parent Entity

The Parent Entity did not have any contingent liabilities as at 30 June 2011 or 30 June 2010.

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 2011 or 30 June 2010.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 25 to 47 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 2011 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; and

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

Dennis Morton
Director

Sydney
13 September 2011

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Independent auditor's report to the members of Gas2Grid Limited

Report on the financial report

We have audited the accompanying financial report of Gas2Grid Limited (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Gas2Grid Limited group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 and fair presentation of the financial report 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. 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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Independent auditor's report to the members of Gas2Grid Limited (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Gas2Grid Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification of our opinion expressed above, we draw attention to Note 1(a) which comments on the ongoing funding requirements of the company. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainly that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity 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.

Report on the Remuneration Report

We have audited the remuneration report included in pages 19 to 21 of the directors' report for the year ended 30 June 2011. 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.

Auditor's opinion

In our opinion, the remuneration report of Gas2Grid Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
13 September 2011

The shareholder information set out below was applicable as at 5 September 2011.

1. **Substantial Shareholders**

   Substantial shareholders in the Company are set out below:-

Ordinary Shares	Number held	Percentage of Issued Shares:
Dennis Morton	64,544,483	18.04
Darren Reeder	48,666,665	13.60
David Munns	28,856,900	8.06

2. **Voting Rights**

   The voting rights attaching 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:-

No. of Shares	No. of Shareholders
1 – 1,000	99
1,001 – 5,000	17
5,001 – 10,000	110
10,001 – 100,000	523
100,001 and over	300
	1,049

   (ii) There were 150 holders of less than a marketable parcel of shares.

5. **Distribution of Optionholders - Unlisted 5 cents 15 June 2012 Options**

   (i) Analysis of numbers of option holders by size of holding:-

No. of Options	No. of Optionholders
1 – 1,000	1
1,001 – 5,000	10
5,001 – 10,000	17
10,001 – 100,000	71
100,001 and over	49
	148

   (ii) Holders of 20% or more options on issue

	Options Held	% of Options Issued
Budside Pty Ltd <Employees Superannuation Fund>	22,194,145	30.89

6. Distribution of Optionholders - Unlisted 4.96 cents 30 September 2011 Options

(i) Analysis of numbers of optionholders by size of holding:-

No. of Options	No. of Optionholders
1 – 1,000	-
1,001 – 5,000	-
5,001 – 10,000	-
10,001 – 100,000	-
100,001 and over	8
	8

(ii) Holders of 20% or more options on issue

	Options Held	% of Options Issued
Darren Wesley Reeder	18,000,000	54.22%

7. Twenty Largest Shareholders

Name of Shareholders:	Number Held:	Percentage of Issued Shares:
1. Budside Pty Ltd <Employees Superannuation Fund>	49,862,677	13.93
2. Darren Wesley Reeder	48,666,665	13.60
3. Mr. David Munns	26,259,244	7.34
4. Budside Pty Limited	9,961,806	2.78
5. Seistend Pty Limited <DWK Super Fund A/C>	8,900,000	2.49
6. Mr. Michael Kenneth Walcott	8,851,021	2.47
7. Pobelo Super Pty Ltd <Pobelo P/L Super Fund A/C>	8,032,500	2.24
8. Mr Johnny Venpin	7,333,333	2.05
9. Wong Voon Sam Yue	5,000,000	1.40
10. Budside Pty Ltd <Employees Super Fund A/C>	4,720,000	1.32
11. Paul Dominic Hillman	4,540,000	1.27
12. HSBC Custody Nominees (Australia) Limited	4,485,755	1.25
13. Fort Capital Pty Ltd	4,200,000	1.17
14. Octan Energy Pty Ltd	3,402,500	0.95
15 Ryan Superannuation Nominees Pty Ltd	2,843,576	0.79
16. Levy Superannuation Co Pty Ltd <levy Family Super Fund A/C>	2,820,000	0.79
17. Ms Nicola Garrett	2,700,000	0.75
18. W R Mobbs Superannuation	2,666,666	0.75
19. TD International SA	2,597,656	0.73
20. Mr Peter Batey	2,500,000	0.70
	210,343,399	58.77

SCHEDULE OF MINERAL TENEMENTS

LOCATION	TENEMENT	HOLDER	INTEREST	AREA	CURRENT TO
Cebu Island, The Philippines	SC 44	Gas2Grid Pte Ltd	100%	750km^2	28/11/2011
Canning Basin, Western Australia	EP453	Gas2Grid Limited	100%	9,677.7km^2	17/01/2013
Onshore Aquitaine Basin, France	St Griede Licence	Gas2Grid Limited	100%	1,238km^2	21/05/2013

Key to Tenement Types

SC Service Contract

EP Exploration Permit