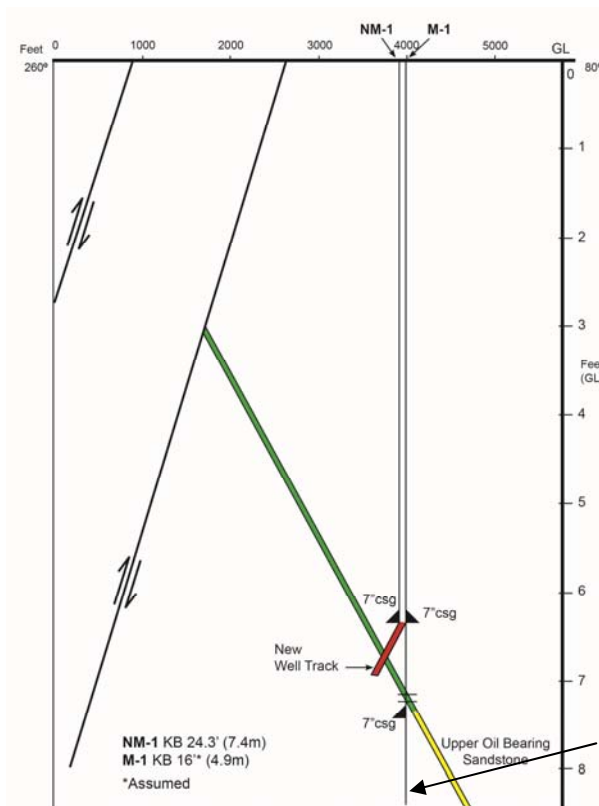


## EXTENSION TO SEPTEMBER 2020

### SERVICE CONTRACT 44: ONSHORE NORTH CEBU, PHILIPPINES

Gas2Grid Limited ("GGX") is pleased to announce that the Philippines Department of Energy ("DOE") has approved an extension of the Technical Moratorium of Service Contract 44 ("SC 44") to September 2020. The SC 44 extension provides security of tenure and will provide sufficient time for GGX to conduct further exploration and appraisal work in the Malolos Oil Field to secure a 25 production term.

During that period GGX plans to implement the DOE approved work program of deepening the existing well Nuevo Malolos-1. The deepening of that well aims to intersect two known oil bearing sandstones for completion and production testing with the aim of securing a 25 year production period. The GGX Rig 2 is on location at Malolos-1 which is approximately 15 metres on surface from Nuevo Malolos-1 and therefore drilling can commence fairly promptly with very low mobilisation costs.



**Nuevo Malolos-1 Deepening – Well Schematic**

### **Background on Malolos Oil Field within SC44**

GGX had made significant accomplishments during the 10 year term and 3 years of Technical Moratorium of SC 44 that included the Declaration of Oil Discovery for Malolos-1 in January 2014 with oil recovery during tests, the assessment of a 20.4 million barrel “Best Estimate (P50) Contingent Resource in the Malolos Oil Field and conducting tests to appraise the development of the field. Unfortunately, the migration and the production of fine sands to the well bore hindered the tests for continuous production which had to be stopped pending research on methods to overcome the difficulties.

In conjunction with industry experts, GGX has assessed the completion technology that will minimize sand and clay production to avert production blockage and maximize oil production rates. Results of the work indicated the preferred method to complete a new well will be with standard, industry screens. The installation of screens as opposed to perforated casing should maximize and sustain oil production whilst retaining the reservoir sand and producing the clay fines.

Studies were also conducted on the open-hole mud and hydraulic program designed to minimize formation damage and maintain well-bore stability.

Surface geological mapping that was completed and integrated with previous work lead to a more detailed understanding of the surface geological structure. The crest of the Malolos anticline has been confidently located approximately 2.5 to 3 kilometres south-southwest of Malolos-1. With all technical data now available this is likely to be a better location for testing the Malolos surface anticline than the existing Malolos wells locations. Hence the current program is the deepening and deviating to an up-dip position in the existing Nuevo Malolos-1 as a lower cost option to the drilling of a new well.

The Malolos Oil Field represents an attractive investment opportunity particularly with the recent rise in the oil price to around US\$70 per barrel. The Mololos Oil Field located onshore contains oil of good quality with low sulphur and is close to transportation in a country with excellent fiscal terms. This could result in very low development and operating costs which will leave a healthy profit margin, particularly at the current higher oil price.

The Company will fund this work from existing funds and new funding initiatives.

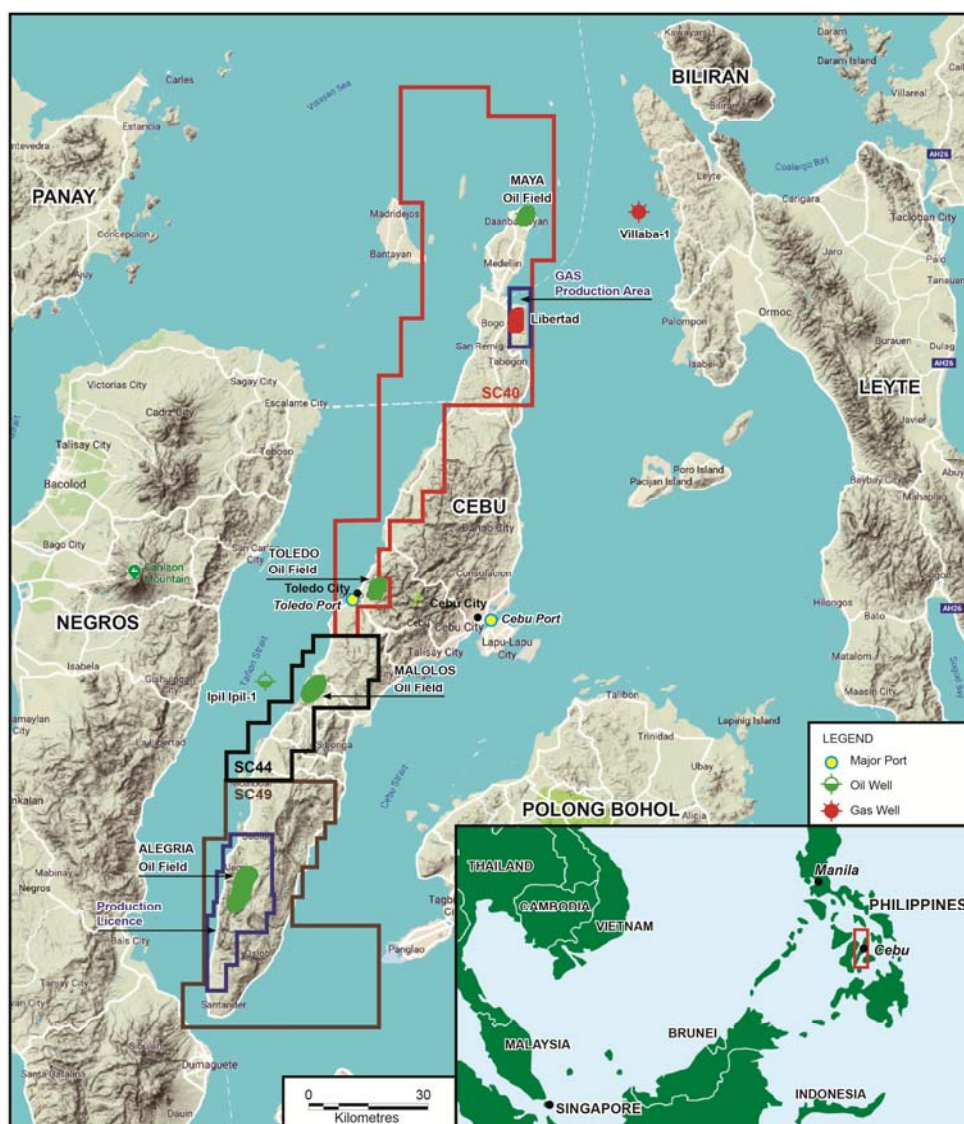
### **Cebu – Emerging Oil and Gas Producing Area**

Cebu is proving to be an emerging oil and gas producing region.

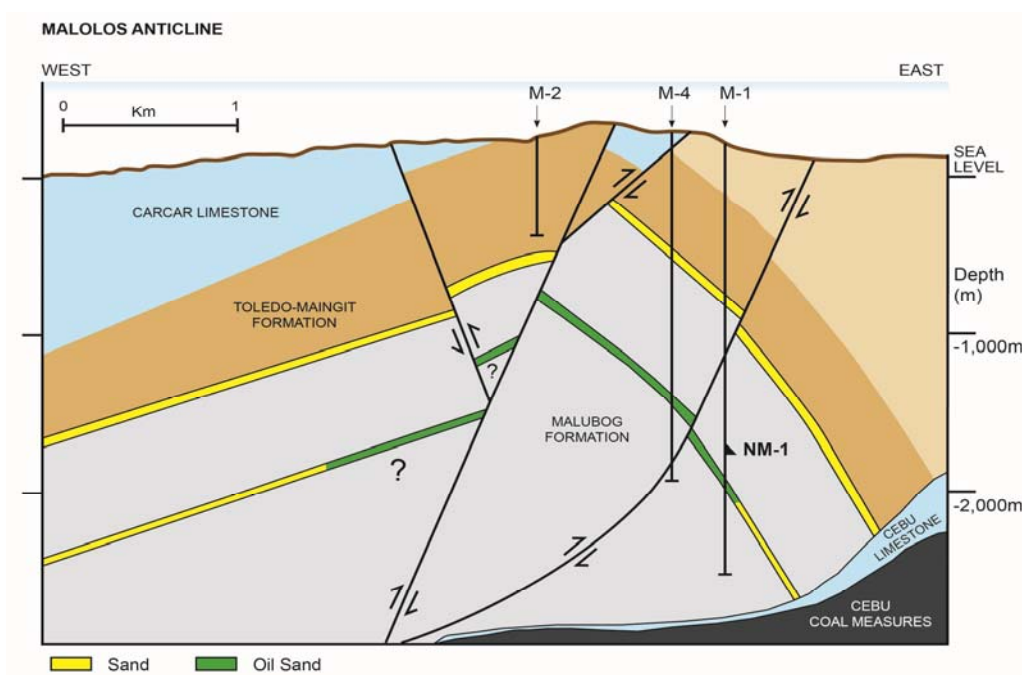
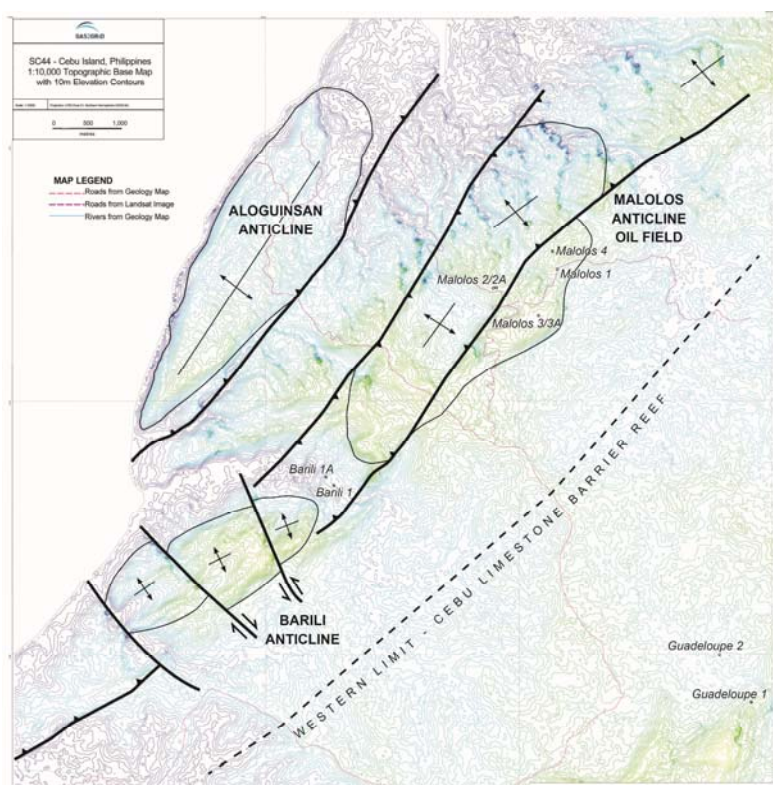
The Libertad gas field, located in the northern part of SC 40, produced electricity for local sale under a 25 year production term.

SC 49, located in the south of Cebu, has recently been awarded a 25 year production term to commercially produce oil and gas from the Alegria anticline. The Alegria Oil and Gas Field produces from a surface anticline containing the same mid-Miocene age sandstone reservoirs that produce oil and gas in the Malolos Oil Field in central Cebu (SC 44) and the Toledo and Maya oil fields in northern Cebu (SC 40).

Cebu is ideally located to market oil and gas, possessing good road/port infrastructure and a ready market for oil and gas. Oil can be exported for sale from the nearby Toledo (10 km from Malolos Oil Field) or Cebu City ports.



Location Map – SC 44



**Malolos Oil Field and Malolos Oil Field: Cross-Section**

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*The information in this release has been compiled by Dennis Morton, Managing Director of Gas2Grid Limited, who graduated with First Class Honours in Geology (Macquarie University) and has over 38 years' experience in the oil and gas industry.*