



QUARTERLY ACTIVITIES REPORT MARCH, 2018

24th April, 2019

SUMMARY

Philippines

- Plan to deepen and test oil sandstones in Nuevo Malolos-1 ("NM-1"), as soon as practicable.
- NM-1 Deepening Drilling Approval already granted by Department of Energy ("DOE").
- NM-1 Deepening revised budget submitted to DOE for approval.
- Company owned Rig-2 onsite and being prepared for move to NM-1 Deepening site.
- Quotes received for most drilling services to deepen and test oil sandstones in NM-1 with Company owned Rig-2.
- Strategies to drill new wells using 100% Company owned rigs located in Philippines as part contribution to earn equity in new ventures, minimising cash investment.

France

- Court of Appeal hearing held on 5th February 2019 on the St Griede permit renewal resulted in a judgement handed down on 5th March 2019 in favour of the Company.
- French Government's appeal against the November 2016 Tribunal decision was rejected and the Government ordered to reconsider the decision to grant the St. Griede permit for a second 5 year term.
- On 23rd April 2019, the Company has advised the French Ministers that in light of the actions and legal process in the last 6 years to avail of its legal rights to renew the St Griede permit and the consequent capital market's perception of the significant sovereign risks in France for oil and gas explorers it is compelled to renounce its rights for the renewal of the permit.

PHILIPPINES

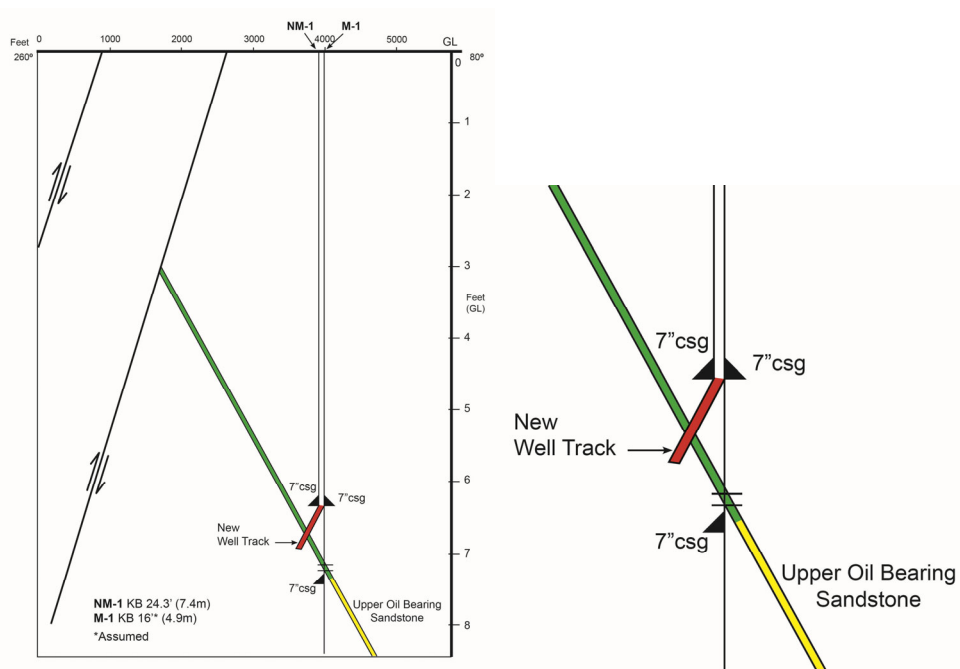
SERVICE CONTRACT 44 (100% working interest), Onshore Cebu

The DOE confirmed the extension of tenure of SC 44 for two (2) years to September 2020. The SC 44 extension has been issued under Presidential Decree 87 (as amended) which addresses the need to

fast track oil and gas exploration/development in the country. The extension requires a minimum US\$1.175 million be spent on deepening, completing and testing oil from Nuevo Malolos-1.

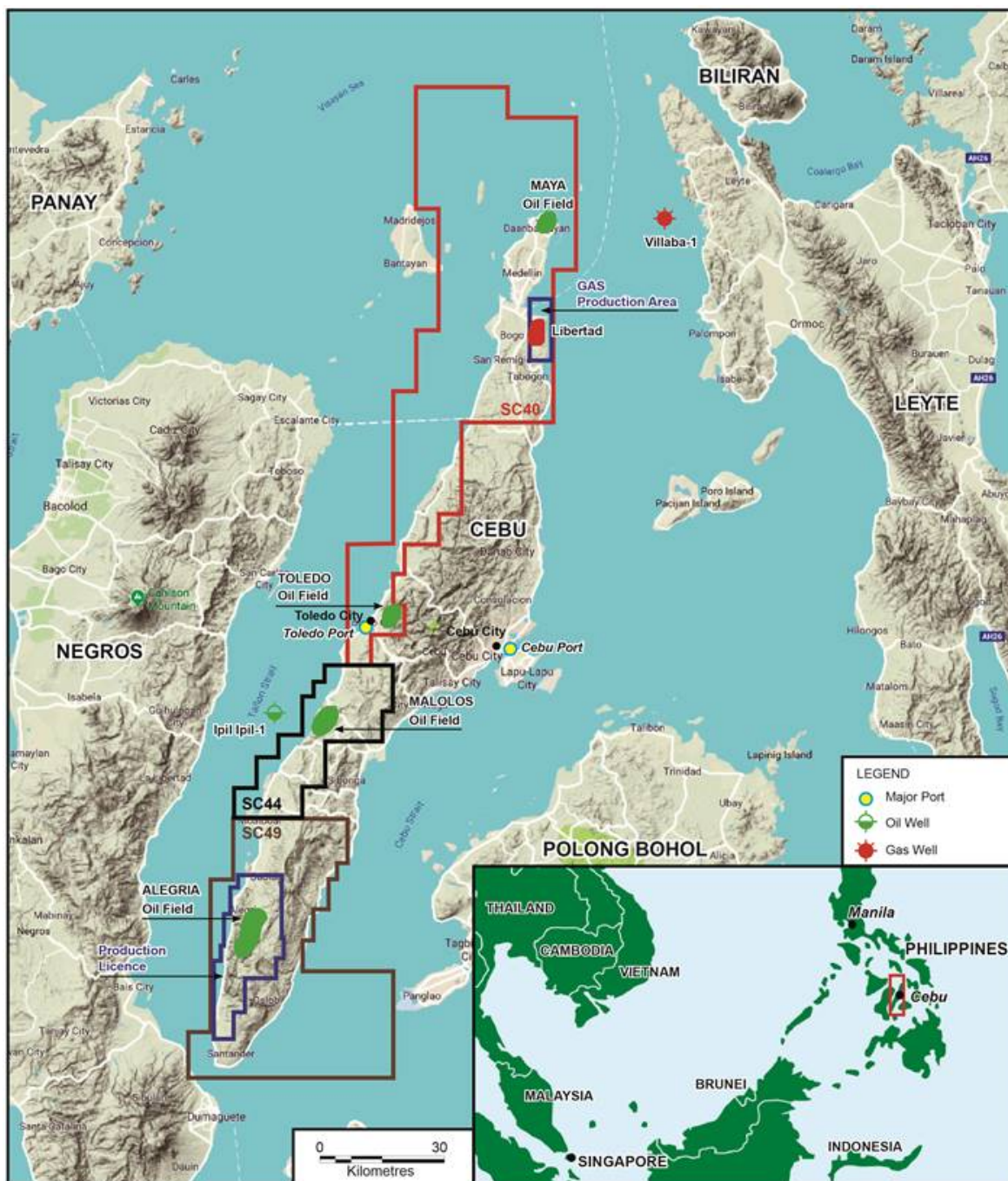
The Company plans to promptly commence deepening, completing and testing oil from NM-1 with operations planned to commence in May. The operation has already been approved by the DOE and drilling will be conducted using the Company owned Rig-2. Rig-2 is planned to be moved from M-1 approximately 20 metres to the NM-1 site. A revised Nuevo Malolos-1 Deepening budget has been submitted to the DOE for approval.

The Company has finalised quotes for most services and equipment supply necessary to enable the drilling and completion of the two targeted oil bearing sandstones in NM-1. The Company will need to raise new capital to finance the drilling.



Nuevo Malolos-1 Deepening: Well Track

Onshore, Cebu is rapidly becoming the focus of an emerging petroleum production region with the operator of SC 49 in the southern part of the island having been recently awarded a 25 year production licence. The SC 49 operator has discovered and is developing the Alegria oil field which produces oil and gas from the same sandstone reservoirs that are oil productive in SC 44. The Libertad gas field in SC 40, northern Cebu has already been awarded a 25 year production licence.



Petroleum Service Contracts and Production Licences, Cebu Island, Philippines

NEW VENTURES

The Company has identified certain oil and gas appraisal opportunities onshore Philippines which it has been pursuing through technical evaluation and commercial negotiation. Successful conclusion of

negotiations would result in new appraisal well/s being drilled in 2019 using the Company owned drilling rig as part contribution to earn equity in the new projects, minimising cash outlays.

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



Gas2Grid's Rig-2 based in Philippines

FRANCE

ST. GRIEDE (100% working interest), Onshore Aquitaine Basin

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

Following an action in the Pau Tribunal in November 2015, a judgement was handed down in early November 2016 fully supporting the Company as follows:

1. Annulment of the decision of the French Ministers made in September 2015 to refuse the renewal of St Griede permit;
2. Instruction to the Ministers to grant, within 30 days, a 5 year extension to the St Griede permit commencing from 3rd November 2016; and
3. A penalty, to the French Government, of Euros 3,000 for each day after 3rd December 2016 that the grant of the permit extension is delayed.

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

The French Government had also appealed the penalty of €3,000 per day. That appeal was lost and penalties and costs totalling €414,400 (equivalent to approximately AU\$662,000) was subsequently imposed on the French Government and this money has been received by the Company in August 2018.

The Appeal Court of Bordeaux handed down its decision on 5th March 2019 following the hearing held on 5th February 2019 with respect to the appeal lodged on 3rd January 2017 by the French Government against the Pau Tribunal's 2nd November 2016 decision relating to the renewal of the St Griede Permit.

The Appeal Court handed down its decision as follows:

1. Annulment of the section of the judgment of 2nd November 2016 handed down by the Pau Tribunal whereby the Ministers were directed to grant an extension of the St Griede permit for 5 years from the date of that judgement.
2. The Ministers are ordered to reconsider the request for an extension of the St Griede permit for a second 5 year period and to make a new decision within 2 months of the judgment of the Appeal Court.
3. A penalty of €1,000 per day of delay for non-compliance by the Ministers to the period fixed by the present judgement.
4. The Government to pay €2,000 to Gas2Grid Limited for costs.

On 23rd April 2019, the Company has advised the French Ministers that in light of the actions and legal process in the last 6 years to avail of its legal rights to renew the St Griede permit and the consequent capital market's perception of the significant sovereign risk in France for oil and gas explorers it is compelled to renounce its rights for the renewal of the permit. That sovereign risk discourages investors to invest in the Company to fund oil and gas exploration in France.

The Company has continued to be guided by its lawyers in France to protect the investment of its shareholders.

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

GAS2GRID LIMIT

ABN

46 112 138 780

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(25)	(39)
(b) development		
(c) production		
(d) staff costs	-	-
(e) administration and corporate costs	(21)	(126)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST, forex differences, licence renewal costs and penalty and legal costs received)	(12)	561
1.9 Net cash from / (used in) operating activities	(58)	397

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	-	(1)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	674	223
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(58)	397
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(4)	(7)
4.6	Cash and cash equivalents at end of period	612	612

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	166	198
5.2 Call deposits	446	476
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	612	674

6. Payments to directors of the entity and their associates

Current quarter \$A'000

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7. Payments to related entities of the entity and their associates

Current quarter \$A'000

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mining exploration entity and oil and gas exploration entity quarterly report

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

The loan facilities are provided by related parties of the 3 Directors of the Company (D Morton, D Munns and P Sam Yue).

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	310

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

Compliance statement

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



Sign here:

Date: 24 April 2019

(Director/Company secretary)

Print name: Patrick Sam Yue

Notes

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