

**ACTIVITIES REPORT**  
**QUARTER ENDED 30<sup>th</sup> JUNE 2021**

30<sup>th</sup> July 2021

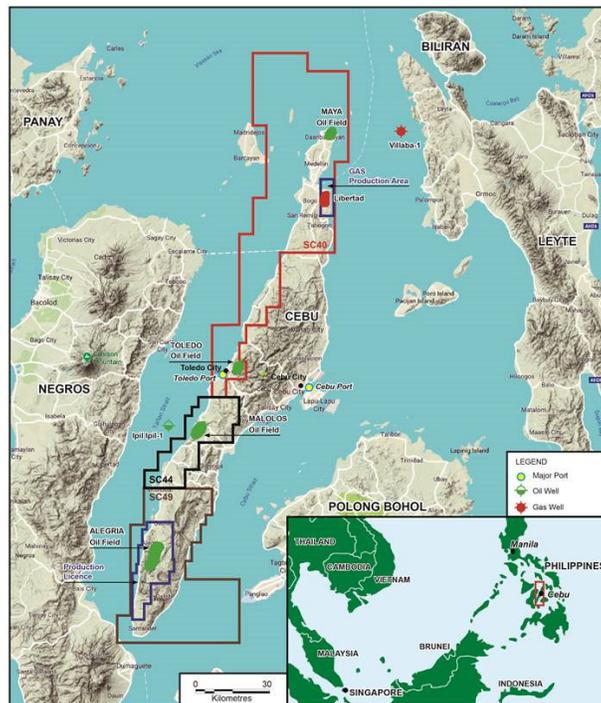
**PHILIPPINES**

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

Service Contract 44 (“SC 44”) operations have been suspended since March 2020 following a claim by the Company of *Force Majeure* under the terms of SC 44 due to the State of Calamity in Philippines and travel sanctions imposed in the Philippines, Australia and other Asian countries arising from the Covid-19 pandemic which has prevented personnel access to the drill site. Those sanctions have continued to date. (See the March 2021 Quarter Activities Report and the ASX announcement dated 2<sup>nd</sup> June 2021 for background information on the SC 44 suspension).

In June 2021, the Department of Energy (“DOE”) notified the termination of SC 44 on the basis of failure of the Company to comply with all the requirements set in the extension of the Technical Moratorium, which expired in September 2020. In its decision, the DOE disregarded the claim of *Force Majeure* in March 2020 and the Company’s request for time to complete the drilling of Nuevo Malolos-1 even though drilling operations were in fact underway at that very time. The drilling operations were a requirement of the Technical Moratorium enacted before the pandemic sanctions were imposed.

The Company has asked the DOE to reconsider their decision to terminate SC 44 and the request has been acknowledged by the DOE. Hopefully, the DOE will take account of the circumstances and terms of the SC 44 to allow time for the drilling to be completed with an extension of SC 44.



**Petroleum Service Contracts and Production Licences, Cebu Island, Philippines**

## **FRANCE**

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

The Tribunal has not yet nominated a hearing date for the Company's compensation claim against the French Government of €34.35 million (approximately A\$55 million at current exchange rate) following the defence statement lodged by the French Government on 15<sup>th</sup> February 2021 the deadline set by the Tribunal. While the Company believes it has a good chance of success, based on legal advice, the timing for the decision and the outcome are uncertain.

(See the March 2021 Quarter Activities Report for background information on the legal claim).

In June 2021 the Company's French lawyers lodged an appeal with the Conseil d'Etat on the decision of the Court of Appeal of Bordeaux of 15<sup>th</sup> December 2020 to annul the Pau Tribunal judgement of 5<sup>th</sup> July 2018 that imposed penalties of €383,500 on the Government and which had already been paid to the Company in August 2018. The decision of the Conseil d'Etat is awaited. (See the ASX Announcement dated 16<sup>th</sup> February 2021 on the decision of the Court of Appeal of Bordeaux.)

## **AUSTRALIAN NEW VENTURES**

The Company has executed confidentiality agreements with several entities in its search and review of Australian new venture opportunities. The reviews are continuing to find suitable projects to invest in.

## **EXPLORATION EXPENDITURE**

As SC 44 is suspended under Force Majeure there has been no exploration expenditure incurred in the quarter.

## **FUNDING**

On 19<sup>th</sup> May 2021 the Company launched a fully underwritten 1 for 1 non-renounceable entitlement offer to raise approximately \$6.13 million (before transaction costs) with the issue of 2,044,551,039 fully paid ordinary shares at \$0.003 per share. The entitlement offer was fully underwritten by the Company's directors; Dennis Morton, Patrick Sam Yue and David Munns through their controlled entities, up to an amount of \$1,810,000, \$2,073,653 and \$2,250,000 respectively (for a total underwritten amount of up to \$6,133,653).

The offer closed on 1 July 2021 with eligible shareholders subscribing for 52,935,000 shares raising \$158,805 which are applied to the costs of the offer. The underwriters took up the shortfall shares totalling 1,991,616,035 shares for a total amount of \$5,974,848 which have been applied to the repayment of the loans from, and amounts owing to, each underwriter and their associates, therefore reducing the liabilities on the balance sheet of the Company. No underwriter has subscribed for shares which would result in that underwriter's voting power in the Company increase to 20% or more. All the shares were issued and allotted on 7 July 2021.

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

The aggregate amount of payments to related parties and their associates for the quarter reported in item 6.1 in Appendix 5B Cash Flow Report of \$50K were for Director's fees and management fees.

### **Competent Person**

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

### **Forward-Looking Statement**

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Gas2Grid Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

### **Authorised by:**

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Director/Secretary  
Phone : +61-2-9241 1927  
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## Appendix 5B

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

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(50)	(50)
(e) administration and corporate costs	(145)	(330)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	14	1
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(181)</b>	<b>(380)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	-	(43)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12.months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	-	<b>(43)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,543
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(25)	(178)
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 -Proceeds from sale of Treasury Stock		
less listing costs	-	63
-Payments for lease liabilities	-	(23)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(25)</b>	<b>2,405</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,498	311
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(181)	(380)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(43)

Appendix 5B

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12.months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	2,405
4.5	Effect of movement in exchange rates on cash held	1	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,293</b>	<b>2,293</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	33	37
5.2 Call deposits	2,260	2,461
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,293</b>	<b>2,498</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	50
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	8,700	5,100
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	8,700	5,100
7.5	<b>Unused financing facilities available at quarter end</b>		3,600
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The loan facilities are unsecured, bear interest at 9% per annum, mature on 6 April 2022 (extension can be renegotiated and early repayment at Company's election with no penalty) and are provided by related parties of the 3 Directors of the Company (D Morton \$5.25M, D Munns \$ 2M and P Sam Yue \$ 1.45M):		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(181)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(181)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,293
8.5	Unused finance facilities available at quarter end (item 7.5)	3,600
8.6	Total available funding (item 8.4 + item 8.5)	5,893
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	32.6
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A	
	8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A	

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

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

Answer: N/A

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

### Compliance statement

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

Date: 30 July 2021

Authorised by: Dennis Morton – Managing Director

Patrick Sam Yue – Director/Company Secretary  
(Name of body or officer authorising release – see note 4)

### Notes

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