



**ACTIVITIES REPORT
QUARTER ENDED 31st MARCH 2022**

28th April, 2022

NEW VENTURES IN QUEENSLAND, AUSTRALIA

FARMIN – COOPER BASIN ASSETS OF SANTOS, ONSHORE QUEENSLAND

During the quarter, Gas2Grid Limited (“Company” or “GGX”) completed its due diligence and drafting of terms and conditions of an agreement to farm in two oil and gas exploration licences held by Santos QNT Pty Ltd, a member of the ASX listed Santos Limited group (“**STO**”) (ASX:STO).

On 6th April, 2022, the Company’s wholly owned subsidiary GGX Eromanga Pty Ltd executed a binding Term Sheet with Santos QNT Pty Ltd to acquire a 60% participating interest in each of two of STO’s licences in the Cooper Basin, Queensland, ATP 1063 and ATP 1174. The consideration for the acquisition of those interests is GGX will fund seismic acquisition and drilling operations within either of the ATP as agreed between the parties.

ATP 1063 and ATP 1174 are located along the eastern edge of the Cooper Basin in southwest Queensland, in an area that contains underlying Permian sediments. These two licenses are located approximately 100 kms from existing oil and gas production infrastructure. The two licences are at exploration stage with several attractive structural leads identified by GGX (**Figures 1 to 6**).

ATP 1063 and ATP 1174 will require new work programs and timing as proposed by GGX for the farmin in place of existing work commitments to be lodged with the Queensland Department of Resources prior to the end of the current work program period on the 1st October, 2022, with GGX holding a participating interest. The amendments will be sought under existing Government provisions, supported by GGX’s entry into a joint venture with STO in order to fulfill work commitments. STO will be the operator of the joint venture.

Upon GGX’s registration on the title of the ATPs it is committed to fund 100% costs to acquire 100 kms 2D seismic data, and drill one exploration well to basement or at least 1,800 metres estimated at \$3 million in total subject to quotes from service providers at time of implementation. At the appropriate time GGX will seek to raise equity capital to fund the work program.

Regional Setting – Permian Source Kitchens

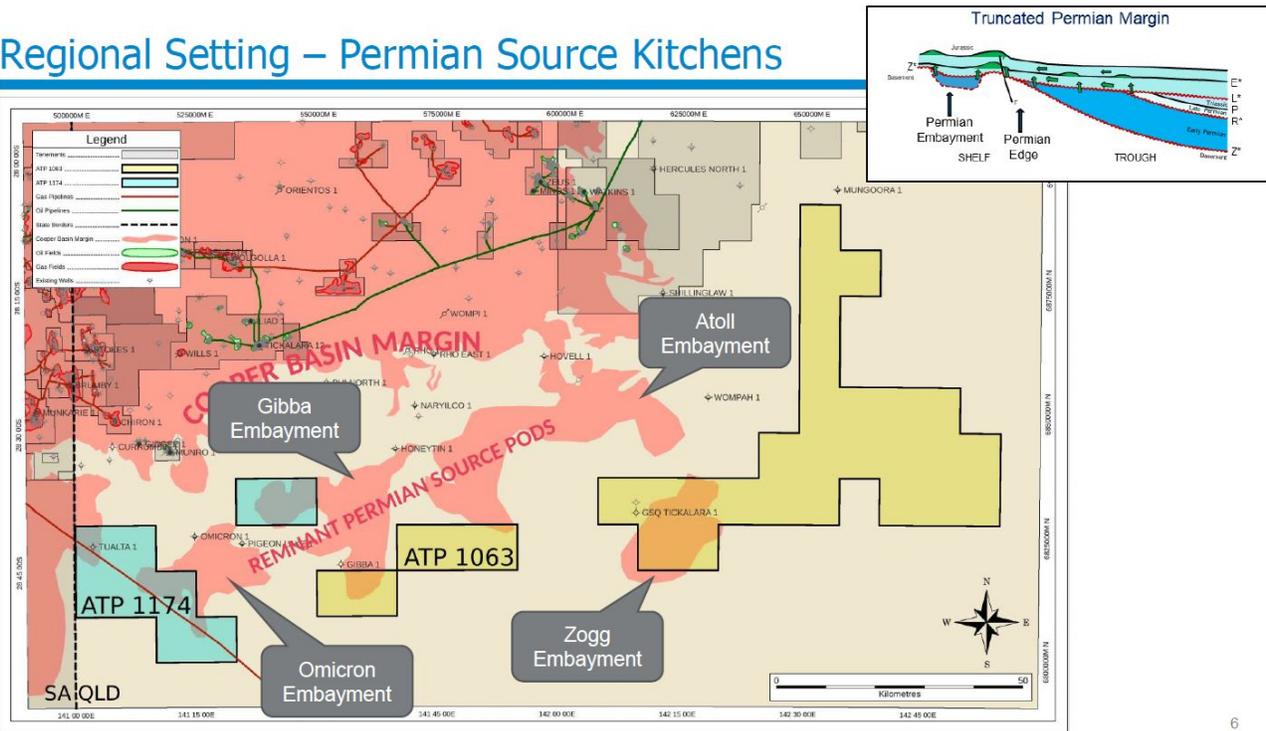


Figure 1: Location of ATP 1063 and ATP 1174

Effective reservoir-seal couplets present on southern flank of Cooper Basin

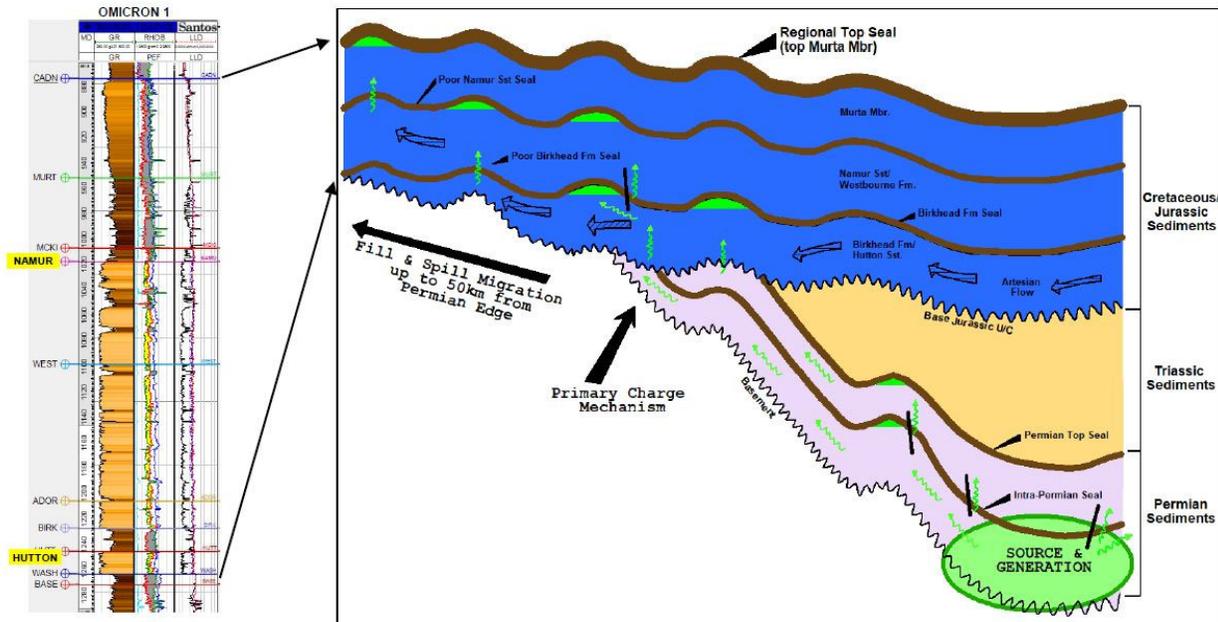


Figure 2: Exploration Play Concept

- Neales
- › Primary target Namur/Hutton anticline
 - › Conformable Cretaceous/Jurassic top seal

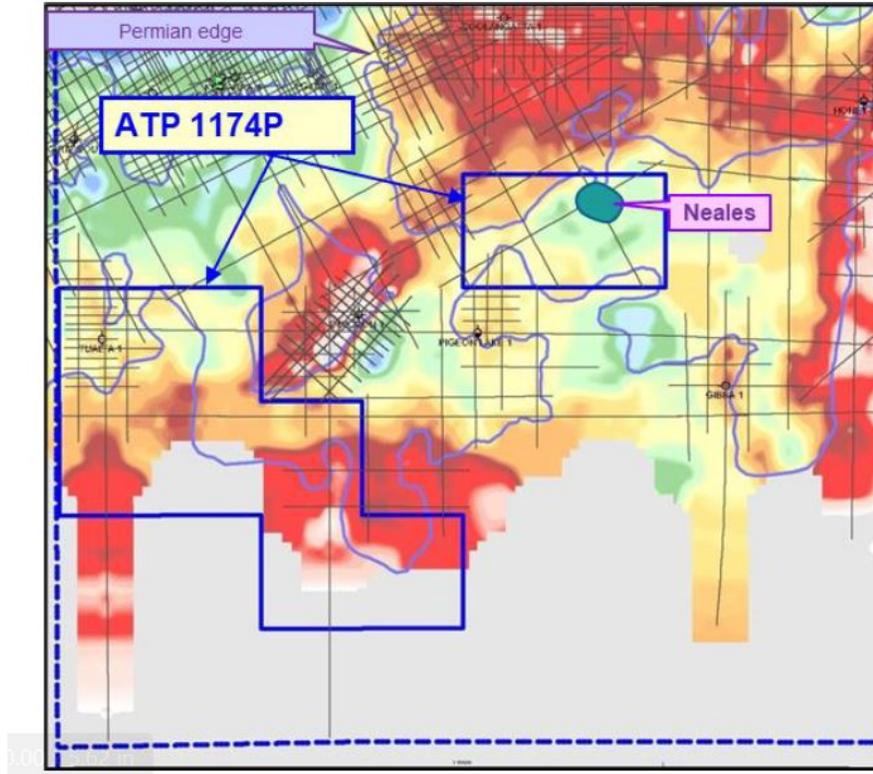


Figure 3: ATP 1174 Exploration Target

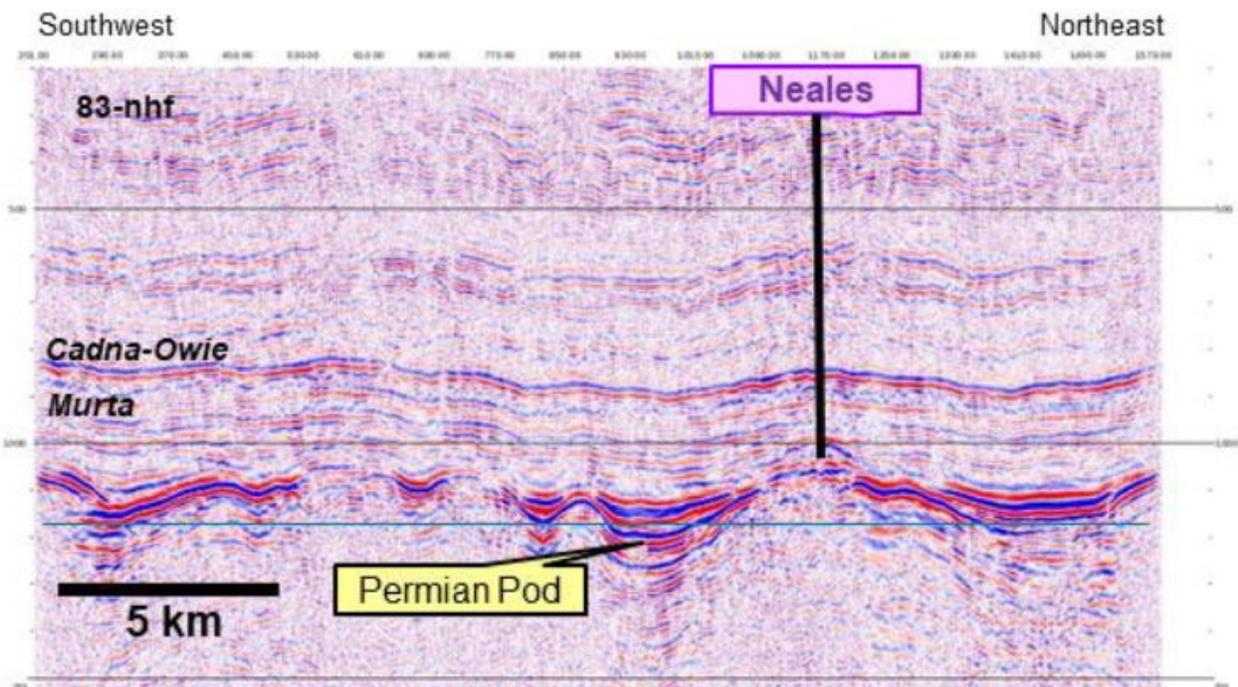


Figure 4: Neales Lead – Seismic Section

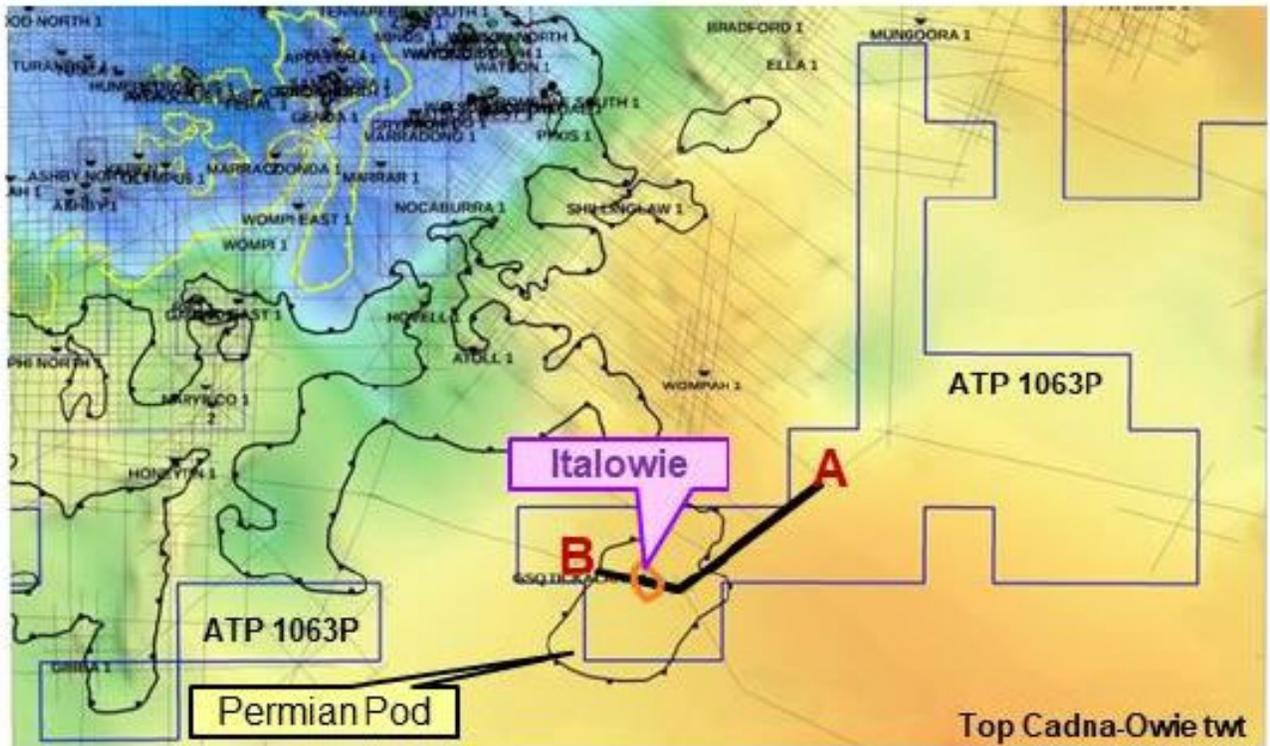


Figure 5: ATP 1063 - Exploration Targets

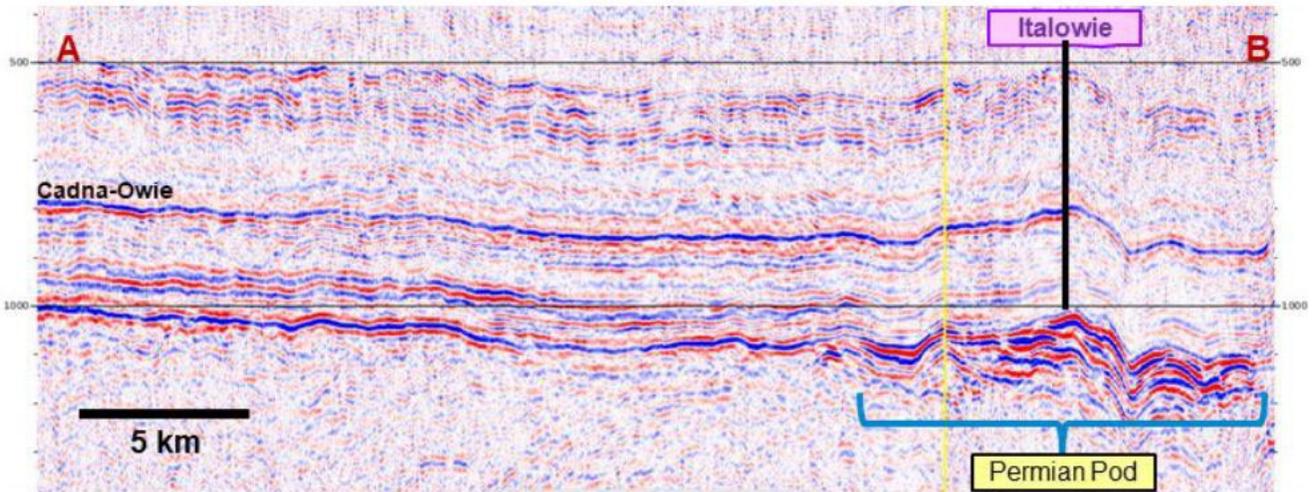


Figure 6: Italowie Exploration Lead – Seismic Section

FARMIN – SURAT BASIN ASSETS OF ARMOUR, ONSHORE QUEENSLAND

On 22nd November, 2021, the Company announced that it had executed a non-binding Heads of Agreement with ASX listed Armour Energy Limited (“AJQ”) (ASX:AJQ) to fund seismic and drilling activities in selected AJQ’s Surat Basin, Queensland licences in order to acquire a 50% participating interest in two separate transactions: Riverside Farmin Block and Myall-Bainbilla Farmin Block.

During the quarter, the Company conducted its due diligence and undertook the drafting of the agreements for the farmin transactions. However, binding agreements for the farmin terms and

conditions could not be finalized to the Company's satisfaction and the farmin proposal was not pursued as reported on ASX announcement platform on 30 March 2022.

PHILIPPINES

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

The Company is preparing a submission for arbitration at the International Chamber of Commerce ("ICC") with respect to the termination of Service Contract 44 ("SC 44") by the Department of Energy ("DOE") in June 2021 on grounds disputed by the Company.

Background

On the 1st June, 2021 the Company received from the DOE a letter which stated " ... the Department is hereby effectively terminating Service Contract for failure of G2G to comply with all requirements set forth in the extension of the Technical Moratorium."

That decision was made disregarding the social environment that has prevailed in Philippines since March 2020 when the Covid-19 pandemic and a State of Calamity were declared which caused the Company to suspend its operations for health and safety reasons and rightfully invoking Force Majeure under the terms of the Service Contract. Access to the site has not been possible and the international borders in Australia and Philippines were essentially closed until recently in 2022.

A Company request for the DOE to reconsider its decision resulted in a letter on 27th September, 2021 reiterating its earlier decision to terminate SC 44.

SC 44 provides procedures for settlement of disputes in connection with the performance or interpretation of any provision of SC 44. Those procedures require the parties to first attempt settlement amicably any disputes through consultation before arbitration is sought. SC 44 provides that arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce ("ICC"). The Company invited the DOE to discuss the possibility of amicably settling the matter. The DOE failed to respond to this request. The Company is seeking redress by initiating arbitration proceedings at the ICC.

FRANCE

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

In early January 2020, the Company lodged at the Pau Tribunal, France, a claim of €34.35 million (approximately A\$51 million at current exchange rate) for compensation against the French Government. This claim is in respect to the damages caused by the French Government in refusing, unlawfully as ruled by the French Courts, to renew the St Griede conventional hydrocarbon exploration permit in accordance with the prevailing mining law.

The Company submitted its final statements to the Tribunal on the 26th November, 2021, the final deadline set by the Tribunal.

The Company is waiting for the hearing and determination by the Tribunal.

EXPLORATION EXPENDITURE

There has been no exploration expenditure incurred in the quarter while tenure of SC 44 is under dispute and the Company has been working on farmin documentation for acquisition of interests in licences in QLD.

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 \$51K 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:

Dennis Morton
Managing Director

Patrick Sam Yue
Director/Secretary

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Appendix 5B

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

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

31 MARCH 2022

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		
(b) development		
(c) production		
(d) staff costs	(51)	(248)
(e) administration and corporate costs	(43)	(230)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST/Projects/Licence renewal)	(24)	(119)
1.9 Net cash from / (used in) operating activities	(118)	(597)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9.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)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	159
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	-	(129)
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		
3.10 Net cash from / (used in) financing activities	-	30

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,844	2,293
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(118)	(597)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	30

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9.months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	1,725	1,725

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	30	36
5.2	Call deposits	1,695	1808
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)	1,725	1,844

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	51
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.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	5,034	1,434
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	5,034	1,434
7.5	Unused financing facilities available at quarter end		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, interest free, mature on 16 April 2023 (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 \$3.440M, D Munns \$0.854M and P Sam Yue \$0.740M):		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(118)
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)	(118)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,725
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)	5,325
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	45.1
	<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: 28 April 2022

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.