

ACTIVITIES REPORT

QUARTER ENDED 30th SEPTEMBER, 2022

28th October, 2022

FARMIN – COOPER BASIN ASSETS OF SANTOS, ONSHORE QUEENSLAND

In April 2022, GX Eromanga Pty Ltd, a wholly owned subsidiary of the Company, executed a binding Term Sheet with Santos QNT Pty Ltd (“**STO**”), a subsidiary of Santos Limited, to acquire under a joint venture 60% participating interest in each of two of STO’s licences in the Cooper Basin, Queensland, ATP 1063 and ATP 1174 (**Figure 1**).

The Group’s entry into the joint venture included the commitment to fund 100% costs to acquire 100kms 2D seismic data and drill one exploration well to basement or at least 1,800 metres. The parties have been working together to progress the work programme commitments.

In September 2022, due to the time frames associated with the licences both parties agreed the commitments cannot be met and agreed to terminate the proposed farmin.

The Company has identified alternative areas for investment in the Cooper Basin and is awaiting to commence discussion on potential farmin opportunities.

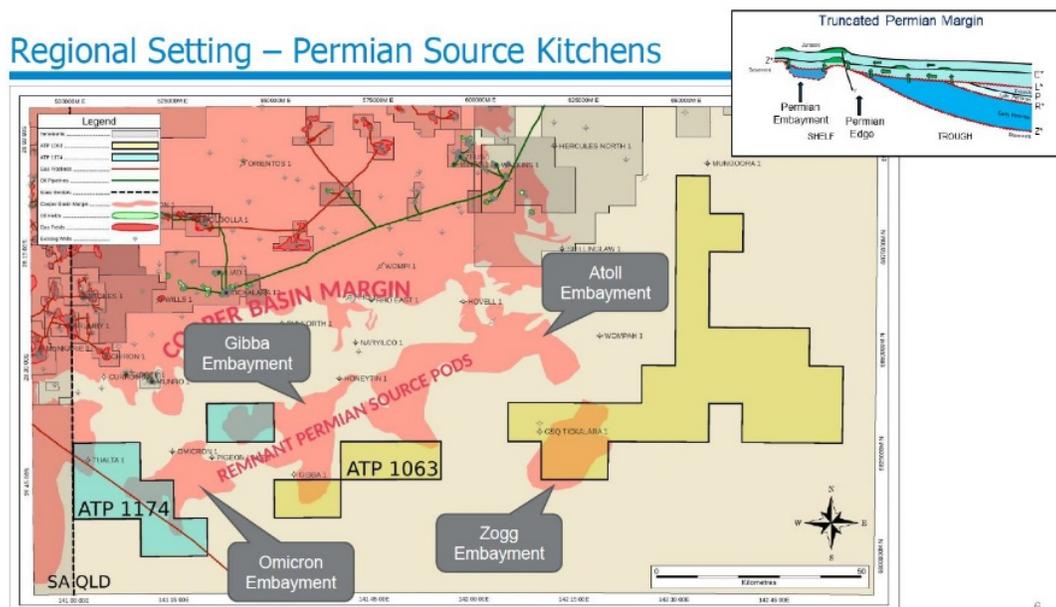


Figure 1: Location of ATP 1063 and ATP 1174

PHILIPPINES

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

The Company has finalised documentation for lodgement of 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. The Company is seeking the ICC to determine that the DOE allows time to the Company under a reinstated SC 44 to recommence the operations of deepening the Nuevo Malolos-1 well or failing that pays a financial compensation. However, the Company is making a last attempt for consultation to an amicable settlement between the stakeholders for mutual benefit and deferring the submission of the dispute to a panel of arbitrators.

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 therefore decided to initiate 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\$53 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 Tribunal had postponed a previous set hearing date of 29th June, 2022 and has not yet advised new hearing date.

NEW VENTURES

The Company has been investigating investment in alternative energy generation. In that respect, the possibilities are in exploration, development, processing or supply of minerals energy projects, including battery minerals, which in the long term would diversify the Group's business from the present sole focus on fossil energy. Any investment in diversification will be subject to compliance with the ASX Listing Rules.

EXPLORATION EXPENDITURE

There has been no exploration expenditure incurred in the quarter while tenure of SC 44 is under dispute. Expenditure has been incurred in pursuing farmin interest in ATPs in the Cooper Basin 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 \$90,000 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")

30 SEPTEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3.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	(90)	(90)
(e) administration and corporate costs	(57)	(57)
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 Government grants and tax incentives		
1.8 Other (GST/Projects)	(57)	(57)
1.9 Net cash from / (used in) operating activities	(203)	(203)

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 (3.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)		
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	(104)	(104)
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—Payments for lease liabilities	(34)	(34)
3.10 Net cash from / (used in) financing activities	(138)	(138)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,578	1,578
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(203)	(203)
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)	(138)	(138)

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 (3.months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,237	1,237

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	50	58
5.2	Call deposits	1,187	1,520
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)	1,237	1,578

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	90
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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	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 and mature on 16 April 2024 (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)	(203)
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)	(203)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,237
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)	4,837
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	23.8
	<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 October 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.