



Annual Report

For the year ended 30 June 2024

Gas2Grid Limited
ABN 46 112 138 780

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Annual Report for the year ended 30 June 2024

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Corporate directory

Directors

David A Munns - Chairman
Dennis J Morton - Managing Director
Patrick W V M Sam Yue - Executive Director

Home Stock Exchange

ASX Limited
Exchange Centre
20 Bridge St
Sydney NSW 2000

Company Secretary

Patrick W V M Sam Yue

ASX Code: GGX

Registered Office

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Sydney NSW 2000
Telephone: 61 2 9241 1927
Email: office@gas2grid.com

Solicitors

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Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Share Registry

Boardroom Limited
Level 8, 210 George Street
Sydney NSW 2000
Telephone: 1300 737 760 / 61 2 9290 9600
Facsimile: 61 2 9279 0664
Email: enquiries@boardroomlimited.com.au

Auditors

Stantons
Level 2, 40 Kings Park Rd
West Perth WA 6005

Website

www.gas2grid.com

Dear Shareholders,

The Australian business environment for ASX listed companies to explore, discover and market fossil fuels onshore has become hostile, as governments legislate against fossil fuels as an energy supply source and favour subsidising renewable energy sources such as wind, solar and pumped hydro, in order to force the adoption of policies for energy supply transition to net zero carbon by 2050.

The current government policies of refusing to make available prospective exploration areas for oil and gas in the eastern States and South Australia means that there are no exploration opportunities for our Company to invest, even though the cost to the energy market for consumers and industries indicates that production of fossil fuel should be part of the energy supply mix.

Similar pro-renewable energy and anti-fossil fuels government policies in France has impacted adversely our business since 2015. Our St. Griede exploration permit was not renewed contrary to the then mining law which was subsequently amended to ban the issue of any new oil and gas exploration licences.

In January 2020, after several years of dispute, with successful results in the French Tribunal and abandoning hope of fair play in France the Company lodged a claim for €34.5 million in damages against the French Government. After a hearing on the 28th June, 2023 the Court determined in November 2023 in favour of the Company but only awarded the sum of Euros 60,342 plus costs of Euros 1,500. In April 2024 the Company lodged an appeal with the French Appeal Court and awaits the determination.

Our efforts are more promising in the Philippines, a country that has a challenged domestic energy supply like many others and which is currently encouraging petroleum exploration.

In 2021, Service Contract 44 ("SC 44") was unjustly terminated by the Philippines Government during a period of Government imposed Covid-19 sanctions. In 2023, following discussions with a receptive new administration, the Company in July, 2023 commenced application for a new Service Contract over an area substantially over the SC 44 with an aim to continue evaluation of the Malolos Oil Field and exploring other attractive oil and gas areas which we have already identified. The application process is very time consuming as it follows the formal vetting procedures established by the Department of Energy ("DOE") which at the end of July 2024 reached the stage of a public invitation for submission of challenge to our application which will close on 27 September 2024. The decision for grant of the new Service Contract will occur after that date within a time frame decided by the DOE.

The Company has also been pursuing new farmin deals in the Philippines. The aim is to participate in attractive exploration/appraisal drilling targets by using Company owned rigs located in Philippines to conduct the drilling operations.

With the predicaments that diminished our oil and gas activities overseas in the last 2 years and unsuccessful establishment of joint ventures for oil and gas exploration in Australia, the Australian Securities Exchange ("ASX") suspended the quotation of the shares of the Company on 1 September 2023 because in their opinion the requirements of Listing Rule 12.1 on sufficient level of operations are not complied with. For reinstatement of official quotation, the Company will need to demonstrate sufficient level of oil and gas operations and satisfy any other conditions that ASX may require. The Company has until 1 September 2025 to meet the Listing Rule requirements unless ASX decides otherwise.

We thank our shareholders for their continued support while we await the determination of the French Appeal Court on the damages claim, the award of a new Service Contract, establishment of new joint ventures in the Philippines and achieve a reinstatement of quotation of our shares on ASX.



David Munns
Chairman

25 September 2024

PHILIPPINES

New Service Contract Application (100% working interest), Onshore Cebu

The Company made the decision to suspend its ICC arbitration application to seek redress on the unjust, June 2021, termination of Service Contract 44 ("SC 44") by the Philippines Government. Instead, in July 2023 the Company commenced application procedures for a new Service Contract for a larger area that encompasses the area covered by SC 44 . The Company has previously conducted significant exploration programs, including seismic acquisition and drilling, in the past (see Figure 1).

The Company's aim is to expand upon the exploration and appraisal operations it has previously conducted at the Malolos Oil Field and to explore other, nearby attractive oil and gas targets.

The application process to satisfy all the government administrative and compliance procedures has been very time consuming. In July 2024 the Department of Energy in Philippines ("DOE") gave its approval for the Company to publish the application for the nominated area in local newspapers. Under the DOE procedures other interested parties are invited to challenge the application. A pre-submission conference was held on 19 August 2024 and the deadline for submission of documents by interested parties has been set for 27 September 2024 when all submissions received will be declared publicly. Thereafter the award of the Service Contract will be decided in line with DOE set procedures.

A new Service Contract, if granted, will provide for a new 7-year initial term, and therefore will give the Company the opportunity to conduct substantive oil and gas exploration operations.

New Ventures

The Company has been in discussions with operating entities in the Philippines for joint venture participation in their Service Contracts for oil and gas exploration. The Company sent a team of rig engineers to Cebu to assess and plan refurbishment of its drilling rigs. These rigs have been kept under care and maintenance since the Covid-19 sanctions forced shutdown of operations at the Malolos Oil Field. The rigs will be used for operations when joint venture terms and conditions have been agreed with the parties.

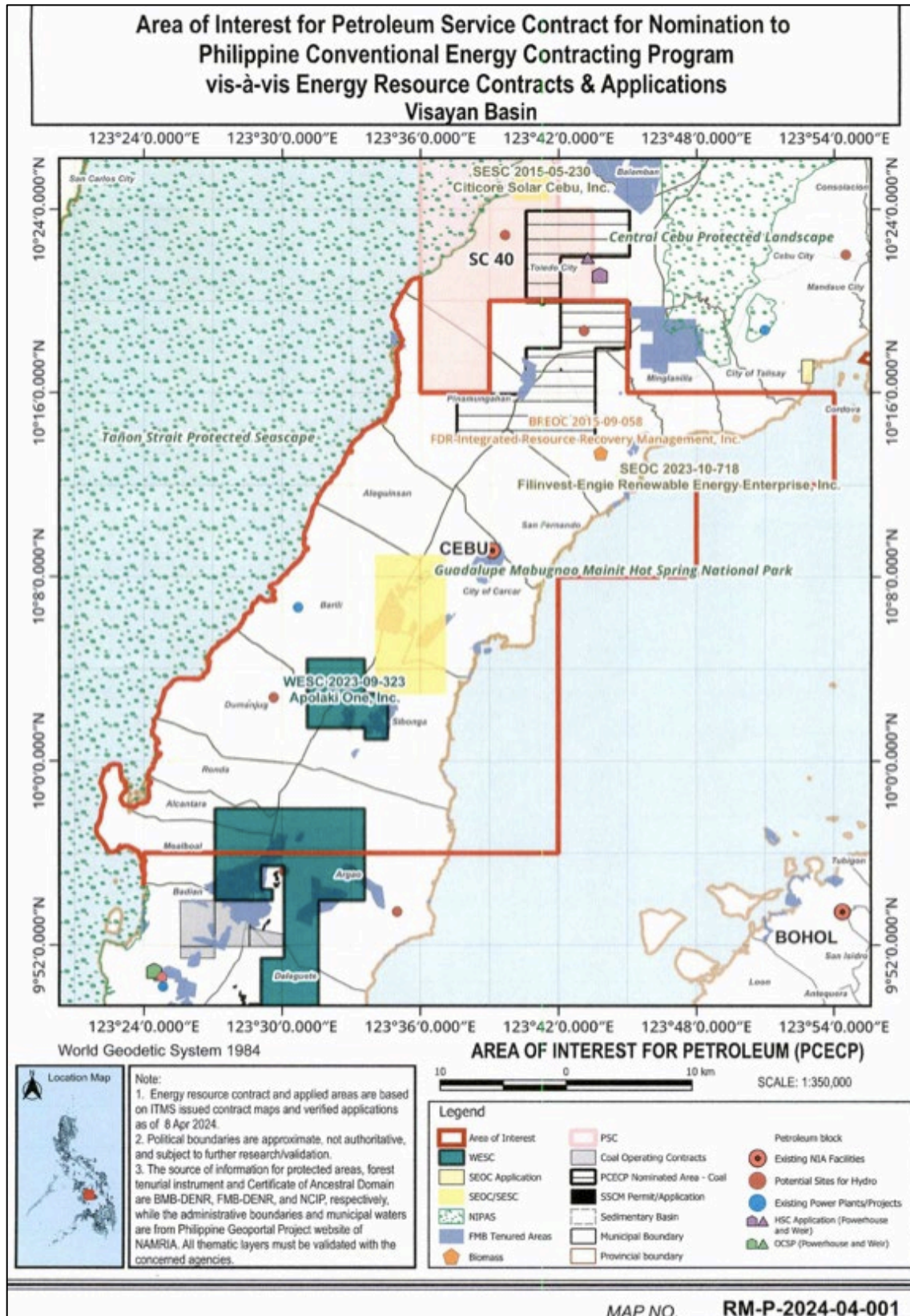


Figure 1: Location in Cebu of new Service Contract under application

FRANCE

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

In January 2020, the Company lodged at the Pau Tribunal, France, a claim of €34.35 million (approximately A\$55 million at 30 June 2024) 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 for a second 5-year term from 2013 the St Griede conventional hydrocarbon exploration permit in accordance with the then prevailing mining law. The non-renewal of the permit prevented the Company from continuing exploration with the aim to eventual exploitation of oil and gas to achieve a return on exploration work incurred since the grant of the permit in 2008.

The hearing of the case was held in June 2023 and in November 2023 the judges handed down their decision. The French State was ordered to pay Gas2Grid Limited Euros 60,342.25 with interest applicable from July 2020 capitalised annually and costs of Euros 1,500.

In April 2024, based on the advice of the Company's lawyers in Paris, the Company lodged an appeal against the judgement in the Administrative Court of Appeal in Bordeaux. The Company awaits the appeal hearing by the Court for a decision.

ASX LISTING RULE 12.1 COMPLIANCE

The Company's securities were suspended from quotation on ASX on 1 September 2023. The ASX determined that the level of the Company's operations is not adequate to warrant the continued quotation of its securities and not in compliance with Listing Rule 12.1. The suspension will continue until the Company is able to demonstrate to ASX's satisfaction compliance with Listing Rule 12.1. The Company believes that the grant of a new Service Contract or a farmin agreement in an existing Service Contract in Philippines will assist in that demonstration and the Company will seek reinstatement of quotation in that event. The ASX will also decide on any other conditions to be satisfied by the Company for its securities to be reinstated for quotation.

EXTERNAL FACTORS AND MATERIAL RISKS ON OPERATIONS

Key risks to which the Group is exposed in its current business and operations are summarised as follows:

- **Key personnel:** The Group's ability to execute its activities depends in retention of key team members to implement the business plan. There has been no disruption in personnel availability during the year for the Group's activities.
- **Changes in global economic and geopolitical conditions:** The Group's business is dependent on economic conditions including inflation, interest rates, consumer confidence, access to funds and government fiscal, monetary and regulatory policies. During the year, the Group has not experienced adverse impacts on its operations as a result of changes in economic and geopolitical conditions
- **Health and safety:** The Group's operations expose its personnel and contractors to health and safety risks inherent in oil and gas exploration that could subject the Group to extensive liability under health and safety laws and regulations. During the year, there has been no adverse event in that respect.
- **Climatic:** Adverse climatic conditions e.g. rain, floods, typhoons and earthquakes during the year have not affected the Group's activities.

- *Information technology and cyber security:* The Group's information technology systems are protected by security measures but unauthorised third party access to these systems for theft of information or disruption of the operations could adversely impact business performance. There has been no event of security breaches during the year.
- *Risks of foreign operations and litigation:* The Group has investment exposure in France and the Philippines where there may be risks arising out of foreign governmental sovereignty and in being subject to the exclusive jurisdiction of foreign courts in addition to risks usually present in Australian operations. The Group has been progressing financial claims in the French courts against the French Government with respect to their not renewing the St Griede permit in disregard to local mining law. The Group has also prepared for arbitration proceedings at the International Chamber of Commerce against the Philippines Government for unjustly cancelling the Service Contract 44 during the Covid-19 pandemic. Those proceedings have been suspended by the Company pending the grant of a new service contract to replace the Service Contract 44. During the year, the costs of those disputes have been contained and manageable with existing cash resources.
- *Changes in law and their applications in practice, including tax laws and accounting standards and ASX Listing Rules:* Any changes to taxation laws, regulations or policies in jurisdictions in which the Group operates may adversely affect shareholder returns. Any changes to the Australian Accounting Standards, as determined by the Australian Accounting Standards Board, may affect the future measurement and recognition of key income statement and balance sheet items. Any changes in ASX Listing Rules and their application may affect the operations of the Company. Such changes could materially and adversely affect the financial performance and position reported in the Company's financial statements.

The introduction of price caps on natural gas by the Australian Federal Government has an adverse effect on the risk profile of gas exploration and production industry in Australia.

Funding risk is described below under the section "Financial Analysis" and other financial risk is described in Note 17 to the financial statements.

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.

FINANCIAL ANALYSIS

Funding: The related entity of each of Directors D Morton, D Munns and P Sam Yue provides loan facilities until 16 April 2026 to the Company totalling \$5,034,226 of which \$1,505,114 has been drawn at balance date (See Note (f) of the Remuneration Report contained in the Directors Report for details).

These loan facilities provide funds for the Group business activities which currently include the acquisition of a new service contract and negotiating joint ventures in Philippines, the pursue of damages claim in France with respect to the St Griede permit, the search for new ventures and other financial commitments.

The Company will also be pursuing other sources of finance that include:

- borrowings from new lenders; and
- undertaking new capital raisings.

The Directors D Morton and D Munns and their related entities have agreed that the amounts owing to them for unpaid past Directors fees, interest and other fees totalling \$3,360,340 to be due on 16 April 2026 ("Non-current payables").

The absence of guarantee in sourcing new funds for the Group's future investing activities presents a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. This going concern issue is further discussed in Note 26(a) (iv) to the Financial Statements and is subject to material uncertainty in the auditor's audit report.

Performance: During the year the Group made a loss of \$890,724 after the amortisation loss of \$236,162 on the net present values of interest free non-current loans, and non-current payables and costs of \$198,245 on new projects and farmings evaluation both in Australia and Philippines.

Performance: During the year the Group made a loss of \$890,724 after the amortisation loss of \$236,162 on the net present values of loans and non-current payables due on 16 April 2026, and costs of new projects evaluation and applications both in Australia and Philippines.

Financial Position: Total negative equity increased from \$5,257,495 to \$6,148,219 primarily as a result of loss from operations.

Cash and cash equivalents at 30 June 2024 was \$18,769, a decrease from the 30 June 2023 balance of \$671,328 as a result of operations during the year. Current assets were \$46,016 (2023: \$717,368) reflecting the decrease in cash balances.

Current trade and other payables were \$607,272, a decrease from 30 June 2023 amount of \$704,515.

Cash Flows: Operating activities resulted in net outflow of \$722,849 (2023: \$718,900) funded mainly from existing cash on hand and loan drawdown as the Group has no cash generating activities.

STRATEGY AND PROSPECTS FOR FUTURE

The Group has ceased pursuing new ventures in oil and gas exploration in Australia as the Government introduced legislations and adopted policies that discourage investment in fossil fuels.

In the Philippines, the Group is seeking a new Service Contract from the Government and negotiating for participation in new joint ventures for oil and gas exploration.

The Group will continue to pursue the financial claim in court for the investment made in the St Griede permit in France.

No indication as to likely developments in the future can be given due to the uncertainties usually associated with the application of a new Service Contract, negotiation for joint ventures participation and the court decision on the legal claim.

Future financial performance will be driven by success in the following:

- (a) acquiring new investment opportunities in Philippines;
- (b) financial recovery from the claim made to the French Government on the unlawful non-renewal of the St Griede permit; and
- (c) the grant and successful development of the new Service Contract applied for.

To carry out those above activities the Group will require funding which may be by equity issues or debt or a combination of both. The method of funding will be determined at the appropriate time as part of the Group's capital management in maintaining a capital structure that incurs a reasonable cost of capital and benefits all shareholders

CORPORATE GOVERNANCE STATEMENT

A table on Corporate Governance Statement setting out the extent to which the Group has followed the recommendations of the ASX Corporate Governance Principles and Recommendations – 4th edition and the Corporate Governance Statement are posted on the Group's website for reference on disclosures (www.gas2grid.com/corporate-governance/).

Directors' report

Your Directors present their report on the consolidated entity ("the Group") consisting of Gas2Grid Limited and the entities it controlled at the end of, or during the year ended 30 June 2024.

Directors

The following persons were Directors of Gas2Grid Limited during the whole of the financial year and up to the date of this report:

David A Munns

Dennis J Morton

Patrick W V M Sam Yue

Principal activities

During the year the principal continuing activities of the Group consisted of pursuing new venture opportunities in Australia and the Philippines, the financial claim against the French Government for the non-renewal of its licence in France and application for a new service contract in Philippines.

Operating and financial review

Review of Operations and Financial Performance

A detailed review of operations and financial performance for the financial year is set out on pages 2 to 7.

Dividends – Gas2Grid Limited

The Directors report that during the year ended 30 June 2024 no dividends were declared or paid (2023: \$nil).

Matters subsequent to the end of the financial year

There has not arisen in the interval since 30 June 2024 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

In relation to the Group's oil and gas investment and other activities, no indication as to likely results in the future can be given due to the uncertainties usually associated with such activities, on timing in acquisition of new licence interests and award of damages by the French court. The Group proposes to continue in oil and gas exploration investment activities that are set out on pages 2 to 7. The Company may in future consider investment in alternative energy materials and technologies to counter some of its fossil fuel investment as a step to manage its environmental and sustainability impact. Such investment may only be made in compliance with the ASX Listing Rules.

Environmental regulation

The Group is required to carry out its activities in accordance with applicable regulations in each of the jurisdictions in which it undertakes its exploration activities. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Information on Directors

David A Munns, Bachelor in Mechanical Engineering (Peterborough Technical College, United Kingdom) Chairman – Non-executive – Appointed on 22 December 2004.

Experience and expertise

David Munns has wide experience in drilling and engineering operations in South East Asia and particularly in the Philippines. He is the Chairman of Desco, Philippines – a drilling and engineering firm operating in the field of conventional and geothermal drilling.

Other listed company directorships

None.

Former directorships of listed companies in the last 3 years

None.

Special responsibilities

Chairman of the Board.

Interest in shares and options

757,827,969 ordinary shares in Gas2Grid Limited.

Dennis J Morton BSc (Hons), (Macquarie University) Managing Director – Appointed on 31 March 2008.

Experience and expertise

Dennis Morton was co-founder and until late 2007 Managing Director of Eastern Star Gas Limited. He has extensive experience in the management of oil and gas exploration entities. He was previously in senior executive positions with Bow Valley (Australia) Ltd, Capital Energy Limited, Hartogen Energy Limited, and Esso Australia Limited.

Other listed company directorships

Jade Gas Holdings Limited (formerly High Grade Metals Ltd) (appointed Non-Executive Director on 7 July 2020, Non-Executive Chairman on 14 December 2021 and Executive Chairman on 28 June 2023)

Former directorships of listed companies in last 3 years

None.

Special responsibilities

Managing Director (since 31 March 2008).

Interest in shares and options

816,954,858 ordinary shares in Gas2Grid Limited.

Patrick W V M Sam Yue, CA, FGIA, FCG, F Fin. Executive Director – Appointed on 9 October 2009.

Experience and expertise

Patrick Sam Yue had several years' experience in international accounting and finance working in the United Kingdom, Africa and the Middle-East before he joined the finance industry in Australia in 1985 prior to moving to the resources industry. He has over 30 years' experience in financial and corporate management in Australia having held senior executive and company secretary positions with ASX listed entities in the oil and gas and minerals industry.

Other listed company directorships

None.

Former directorships of listed companies in last 3 years

None.

Special responsibilities

Chief Financial Officer.

Interest in shares and options

401,182,998 ordinary shares in Gas2Grid Limited.

Company Secretary

The Company Secretary is Mr Patrick W V M Sam Yue, a Chartered Accountant, Fellow of the Governance Institute of Australia, Fellow of the Chartered Institute of Secretaries and Administrators and Fellow of the Financial Services Institute of Australasia and is also an Executive Director.

Meetings of Directors

During the year Board business was carried out by execution of circulated resolutions and no in-person meeting of directors was held.

Remuneration report (Audited)

The Remuneration Report is set out under the following main headings:

- (a) Principles used to determine the nature and amount of remuneration;
- (b) Details of remuneration;
- (c) Service agreements;
- (d) Share-based compensation;
- (e) Equity instruments held by key management personnel;
- (f) Loans from key management personnel or their related entities;
- (g) Other transactions with key management personnel; and
- (h) Additional information.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

(a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure that reward for performance is competitive and appropriate.

During the year ended 30 June 2024, the Group did not have a separate remuneration committee. Instead, the duties and responsibilities typically delegated to such a committee were considered to be the responsibility of the entire Board.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

Use of remuneration consultants

No remuneration consultants were used during the year.

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2017. Director's fees are determined within an aggregate fee pool limit, which currently stands at \$150,000 per annum. That limit shall not be increased except pursuant to a resolution passed at a general meeting of the Company.

Base fees per annum	From 1 July 2017
Chairman	\$35,000
Other Directors (each)	\$25,000

Additional fees

In addition to base Director's fees, the related entity of each of Dennis Morton and Patrick Sam Yue receive monthly management fees of \$10,000 and \$8,000 respectively for additional technical, corporate and administrative duties performed on a regular basis.

(b) Details of remuneration

Amounts of remuneration

The following tables show details of the remuneration received by the Directors and the key management personnel of the Group for the current and previous financial year.

Name	Short-term employee benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	% of remuneration that is performance based	
	Salary and fees [*]	Cash bonus	Non-monetary benefits	Superannuation				Total	
	\$	\$	\$	\$	\$	\$	\$	\$	%
2024									
Executive Directors									
D J Morton ¹	145,000 ¹	-	-	-	-	-	-	145,000	-
P WVM Sam Yue ²	121,000 ²	-	-	-	-	-	-	121,000	-
Non-executive Director									
D A Munns ³	35,000 ³	-	-	-	-	-	-	35,000	-
Total	301,000	-	-	-	-	-	-	301,000	-

¹\$96,000 of the management fees were accounted for in new projects costs. \$132,917 are not yet paid.

²\$110,917 not yet paid

³\$32,083 not yet paid

* including management fees payable to the related entity of the Director

Name	Short-term employee benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	% of remuneration that is performance based	
	Salary and fees*	Cash bonus	Non-monetary benefits	Superannuation				Total	
	\$	\$	\$	\$	\$	\$	\$	\$	%
2023									
Executive Directors									
D J Morton ¹	145,000 ¹	-	-	-	-	-	-	145,000	-
P WVM Sam Yue ²	121,000 ²	-	-	-	-	-	-	121,000	-
Non-executive Director									
D A Munns ³	35,000 ³	-	-	-	-	-	-	35,000	-
Total	301,000	-	-	-	-	-	-	301,000	-

¹ \$48,000 of the management fees were accounted for in new projects costs. 24,167 paid after balance date

² \$20,167 paid after balance date

³ \$5,833 paid after balance date

* including management fees payable to the related entity of the Director

(c) Service agreements

As at the date of this report, there are no service agreements with the Directors.

(d) Share-based compensation

Employee Incentive Plan ("EIP")

The Company has established a Gas2Grid Limited Employee Incentive Plan under which the Directors may offer options for free and ordinary shares at market price in the Company to eligible persons. The Directors may also offer interest free non-recourse loans for terms of up to 5 years under the plan for subscription of shares and under such loans the Company holds a lien over the issued shares. The loans are repayable at the option of the eligible persons to be able to deal with the shares. The options are issued free at grant. The shares may not be subscribed for less than the market value of the shares at the time an offer is made under the plan.

Subject to approval of shareholders, Directors may also be offered shares with non-recourse loans or options under the plan as a long-term benefit supplementing the short-term benefits that align their interests with those of all shareholders. The non-recourse loans outstanding to Directors at 30 June 2024 are disclosed under section (i) below.

No EIP shares were issued to Directors during the year.

(e) Equity instruments held by key management personnel

The table below show the number of shares in the Company that was held by key management personnel of the Group, including their close family members and entities related to them:

	Balance at beginning of year	EIP shares issued in January 2019 surrendered during the year	Other changes	Balance at end of year
2024				
Directors of Gas2Grid Limited				
D A Munns (i)	757,827,969	-	-	757,827,969
D J Morton (ii)	816,954,858	-	-	816,954,858
P W V M Sam Yue (iii)	413,182,998	(12,000,000)	-	401,182,998

- i. 707,331,376 shares are registered in the name of TD International SA. 1,000,000 shares are registered in the name of Ann Patricia Munns.
- ii. 55,260,843 shares are registered in the name of Budside Pty Limited <Employees Superannuation Fund>. 655,424,350 shares are registered in the name of Budside Pty Ltd.
- iii. 401,181,998 shares are registered in the name of Lamdian Pty Ltd ATF Samyue Super Fund.

	Balance at beginning of year	EIP shares issued in December 2017 surrendered during the year	Other changes	Balance at end of year
2023				
D A Munns (i)	757,827,969	-	-	757,827,969
D J Morton (ii)	816,954,858	-	-	816,954,858
P W V M Sam Yue (iii)	425,182,998	(12,000,000)	-	413,182,998

- i. 707,331,376 shares are registered in the name of TD International SA. 1,000,000 shares are registered in the name of Ann Patricia Munns.
- ii. 55,260,843 shares are registered in the name of Budside Pty Limited <Employees Superannuation Fund>. 655,424,350 shares are registered in the name of Budside Pty Ltd.
- iii. 401,181,998 shares are registered in the name of Lamdian Pty Ltd ATF Samyue Super Fund.

Additional information

(f) Loans from key management personnel and their related entities covered under loan facility agreements

	At beginning of year	Loan principal received and accrued interest	Loan principal repaid	At end of year	Undrawn loan facilities available at end of year
	\$	\$	\$	\$	\$
2024					
D A Munns	-	-	-	-	854,226
D J Morton – interest free	1,434,375	-	-	1,434,375 ¹	-
D J Morton – interest at 10.5% pa	-	70,739	-	70,739	1,934,866
P W V M Sam Yue	-	-	-	-	740,000
	1,434,375	70,739		1,505,114	3,529,092

¹ This amount represents the contractual settlement amount at balance date. The balance owing in Note 11 of the financial report includes the gain on borrowings at amortised cost arising from the difference between the net present value of the borrowings to be settled on 16 April 2026.

² Includes \$739 accrued interest at 10.5% pa on new loans received from 16 May 2024 and is due and payable on 16 April 2026.

The loans drawn to 15 May 2024 are interest free. Loans drawn from 16 May 2024 are subject to interest at 10.5% pa under a Deed of Variation (Amended and Restated Loan Agreement) dated 16 May 2024. Loans under the loan facility agreements are unsecured and are due and payable on 16 April 2026.

	At beginning of year	Loan principal received	Loan principal repaid	At end of year	Undrawn loan facilities available at end of year
	\$	\$	\$	\$	\$
2023					
D A Munns	-	-	-	-	854,226
D J Morton	1,434,375	-	-	1,434,375 ¹	2,005,625
P W V M Sam Yue	-	-	-	-	740,000
	<u>1,434,375</u>	<u>-</u>	<u>-</u>	<u>1,434,375</u>	<u>3,599,851</u>

¹ This amount represents the contractual settlement amount at balance date. The balance owing in Note 11 of the financial report includes the gain on borrowings at amortised cost arising from the difference between the net present value of the interest-free borrowings to be settled on 16 April 2026.

(g) Summary of Directors' and management fees and accrued finance cost payable to Directors and their related entities for the year

	2024	2023
	\$	\$
Management fees to the following entities recognised as expense		
Budside Pty Ltd ¹	120,000	120,000
Oni Design Pty Ltd ²	96,000	96,000
	<u>216,000</u>	<u>216,000</u>

¹ Related entity of Director D J Morton

² Related entity of Director P W V M Sam Yue

Directors' fees recognised as expense

Budside Pty Ltd	25,000	25,000
Oni Design Pty Ltd	25,000	25,000
David Munns	35,000	35,000
	<u>85,000</u>	<u>85,000</u>

Management and Directors' fees, loans establishment fees and accrued finance costs owing at balance date and due for payment on 16 April 2026

Budside Pty Ltd (fees inclusive of GST)	849,458	849,458
Budside Pty Ltd (establishment fees and accrued interest on fees and loans)	2,984,257	2,984,257
Oni Design Pty Ltd (fees inclusive of GST)	-	-
David Munns (fees)	164,707	164,707
David Munns (accrued interest on fees)	37,446	37,446
TD International SA ³	80,211	80,211
	<u>4,116,079</u>	<u>4,116,079</u>

³ Related entity of Director D A Munns

On 20 June 2024, the maturity date of the balance of amounts owing to the Directors and their related entities was extended from 16 April 2025 to 16 April 2026. The amounts owing are interest free. No payment has been made post balance date.

	2024	2023
	\$	\$
(h) Underwriting fees payable at balance date for non-renounceable entitlement offer that closed on 1 July 2021		
Budside Pty Ltd	<u>49,102</u>	<u>49,102</u>

(i) Loans to Directors

There are no outstanding loans to Directors.

Loan expiry date	2024 EIP shares	2023 EIP shares	2024 \$	2023 \$
Patrick WVM Sam Yue: 20 January 2024 ¹	-	12,000,000	-	96,000
	-	12,000,000	-	96,000

¹ The EIP shares were surrendered to the Company and the loan extinguished.

End of audited Remuneration Report

Shares under option

Nil.

Indemnification of officers or auditors

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and officers of the Group against a liability incurred as such a Director or officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify a former officer or auditor of the Group against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There has been no provision of non-audit services by the auditor during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

This report is made in accordance with a resolution of Directors.



Dennis J Morton
Director

Sydney
25 September 2024



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Australia

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25 September 2024

Board of Directors
Gas2Grid Limited
Suite 22 Level 5
58 Pitt Street
Sydney NSW 2000

Dear Directors

RE: GAS2GRID LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gas2Grid Limited.

As Audit Director for the audit of the financial statements of Gas2Grid Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director



Gas2Grid Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Other income			
Interest		2,149	7,795
Expenses			
Administration expenses		(135,173)	(154,040)
Auditor's remuneration	22	(39,766)	(36,690)
Management and Directors fees	19	(205,000)	(253,000)
Amortisation of Right of Use assets	8	(15,638)	(14,333)
Fair value gain/(loss) on extinguishment of financial liabilities		-	(62,837)
Finance costs	3	(6,471)	(1,852)
Insurance costs		(16,408)	(13,224)
Licences renewal costs		-	(51,609)
(Loss)/Gain on financial liabilities at amortised cost	2	(236,162)	435,599
New projects and farmins evaluation		(198,245)	(115,300)
Provision for rehabilitation	12	(22,000)	(20,000)
Rental expenses		(12,640)	(12,643)
Net foreign exchange loss		(5,370)	(64,652)
Loss before income tax		(890,724)	(356,786)
Income tax expense	4	-	-
Loss from continuing operations		(890,724)	(356,786)
Other comprehensive income		-	-
Other comprehensive profit/(loss) for the year, net of tax		-	-
Total comprehensive loss for the year		(890,724)	(356,786)
Loss for the year attributable to the owners of Gas2Grid Limited		(890,724)	(356,786)
Total comprehensive loss for the year attributable to owners of Gas2Grid Limited		(890,724)	(356,786)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic and diluted (loss)/earnings per share	23	(0.02)	(0.01)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Gas2Grid Limited
Consolidated statement of financial position
As at 30 June 2024

		2024	2023
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	18,769	671,328
Trade and other receivables	6	11,523	16,423
Other assets	7	15,724	29,617
Total current assets		<u>46,016</u>	<u>717,368</u>
Non-current assets			
Right of use assets	8	1,303	16,940
Other assets	7	-	1,441
Total non-current assets		<u>1,303</u>	<u>18,381</u>
Total assets		<u>47,319</u>	<u>735,749</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	607,272	704,515
Lease liabilities	10	1,450	16,324
Provisions	12	874,025	865,000
Total current liabilities		<u>1,482,747</u>	<u>1,585,839</u>
Non-current liabilities			
Trade and other payables	9	3,442,431	3,360,340
Lease liabilities	10	-	1,515
Borrowings	11	1,270,360	1,045,550
Total non-current liabilities		<u>4,712,791</u>	<u>4,407,405</u>
Total liabilities		<u>6,195,538</u>	<u>5,993,244</u>
Net liabilities		<u>(6,148,219)</u>	<u>(5,257,495)</u>
EQUITY			
Contributed equity	13	38,943,696	38,943,696
Reserves	14(a)	319,802	319,802
Accumulated losses	14(b)	(45,411,717)	(44,520,993)
Total deficit		<u>(6,148,219)</u>	<u>(5,257,495)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Gas2Grid Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity/(Deficit) \$
Balance at 1 July 2022	38,943,696	(44,164,207)	319,802	(4,900,709)
Total comprehensive loss for the year	-	(356,786)	-	(356,786)
Balance at 30 June 2023	38,943,696	(44,520,993)	319,802	(5,257,495)
Total comprehensive loss for the year	-	(890,724)	-	(890,724)
Balance at 30 June 2024	38,943,696	(45,411,717)	319,802	(6,148,219)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Gas2Grid Limited
Consolidated statement of cash flows
For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Interest received		2,149	7,795
Payments to suppliers and employees (inclusive of goods and services tax)		(724,998)	(726,695)
Net cash (outflow) from operating activities	15	(722,849)	(718,900)
Cash flows from investing activities		-	-
Net cash (outflow) from investing activities		-	-
Cash flows from financing activities			
Share transaction costs		-	(152,317)
Proceeds from borrowings		70,000	-
Payments for lease liabilities	8	-	(33,970)
Interest paid		(6)	-
Net cash inflow/(outflow) from financing activities		69,994	(186,287)
Net (decrease) in cash and cash equivalents		(652,855)	(905,187)
Cash and cash equivalents at the beginning of year		671,328	1,578,285
Effects of exchange rate changes on cash and cash equivalents		291	(1,770)
Cash and cash equivalents at end of year	5	18,769	671,328

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Segment information

Gas2Grid Limited and subsidiaries' (the Group) principal continuing activities consisted of pursuing new venture opportunities in Australia and the Philippines, the financial claim against the French Government for the non-renewal of its licence in France and application for a new service contract in Philippines. The Group manages these activities from its head office in Sydney, Australia, a branch office in Manila, Philippines and an office in Singapore.

	Australia \$	France \$	Philippines \$	Total \$
2024				
Interest and other income				
Interest income	2,141	-	8	2,149
Total segment revenues	2,141	-	8	2,149
Segment results				
(Loss) for the year	(660,548)	(13,250)	(216,927)	(890,724)
Including:				
Amortisation of Right of Use assets	(15,637)	-	-	(15,637)
Loss on financial liabilities at amortised cost	(236,162)	-	-	(236,162)
New projects and farmins evaluation	(3,310)		(194,935)	(198,245)
Provision for rehabilitation of exploration areas	-	-	(22,000)	(22,000)
Segment assets	42,262	-	5,057	47,319
Segment liabilities	5,161,191	632,025	402,322	6,195,538
2023				
Interest and other income				
Interest income	7,786	-	9	7,795
Fair value loss on extinguishment of financial liabilities	(62,837)	-	-	(62,837)
Gain on financial liabilities at amortised cost	435,599	-	-	435,599
Total segment revenues	380,557	-	11	380,557
Segment results				
(Loss) for the year	(168,438)	-	(188,348)	(356,786)
Including:				
Amortisation of Right of Use assets	(14,433)	-	-	(14,433)
Provision for rehabilitation of exploration areas	-	-	(20,000)	(20,000)
Segment assets	723,882	-	11,867	735,749
Segment liabilities	4,576,064	645,000	772,180	5,993,244

2. (Reduction in gain)/Gain on financial liabilities at amortised cost

	2024 \$	2023 \$
Gain on non-current trade and other payables (Note 9)	-	204,250
Gain on non-current borrowings (Note 11)	-	231,349
	-	435,599
Reduction in gain on non-current trade and other payables (Note 9)	82,091	-
Reduction in gain in on non-current borrowings (Note 11)	154,071	-
	236,162	

	2024	2023
	\$	\$
3. Finance costs		
Interest paid and accrued on amounts payable and borrowings	5,617	-
Lease interest	854	1,852
	<u>6,471</u>	<u>1,852</u>

4. Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

(Loss) from continuing operations before income tax expense	(890,724)	(356,786)
Tax at Australian tax rate of 25% (2023 – 25%)	(222,681)	(89,197)
Tax effect of:		
Non-temporary differences	86,909	81,269
Equity raising costs debited to equity	(33,967)	(27,419)
Tax losses and temporary differences not recognised	169,739	35,347
Income tax expense	<u>-</u>	<u>-</u>

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	18,980,537	(18,422,063)
Potential tax benefit @ 25% (2023 – 25%)	<u>(4,745,134)</u>	<u>(4,605,516)</u>

The taxation benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefits from the deductions for the loss.

The Group tax consolidated in July 2015. There are presently no tax sharing agreement in place. The Parent Entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward.

The Directors are of the view that there is insufficient probability that the Parent Entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

5. Cash and cash equivalents

Cash at bank and in hand	<u>18,769</u>	<u>671,328</u>
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6. Trade and other receivables

GST and other receivables	<u>11,523</u>	<u>16,423</u>
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Credit risk

There is no significant credit risk with respect to other receivables. There are no debtors or other receivables that are considered past due.

	2024	2023
	\$	\$
7. Other assets		
Current		
Prepayments	15,724	29,617
Non-current		
Rent prepayment	-	1,441

8. Right of use assets

Lease asset

Cost at beginning of year	31,273	-
Addition in the year	-	31,273
Cost at end of year	31,273	31,273
Accumulated amortisation at beginning of year	14,333	-
Amortisation charge for the year	15,637	14,333
Accumulated amortisation at end of year	29,970	14,333
Carrying amount at end of year	1,303	16,940

The lease asset is for office premises lease that expired in August 2024.

9. Trade and other payables

Current

Trade payables and other creditors	253,719	600,813
Amounts owing to Directors:		
Underwriting fees payable to Directors	49,102	49,102
Fees payable to Directors (including GST) ¹	300,300	54,600
Accrued interest payable to Directors ²	4,151	-
	353,553	103,702
Total trade and other payables - current	607,272	704,515

¹ The fees were for the 2024 financial year and remain unpaid.

² Accrued interest at 10.5% pa on unpaid fees from 1 May 2024

Non-current

Fees and amounts payable to Directors (including GST)	1,094,376	1,094,376
Accrued interest on fees payable to Directors	285,814	285,814
Accrued interest on loans due to Directors	2,253,389	2,253,389
Accrued establishment fees on Directors' loans	482,500	482,500
	4,116,079	4,116,079
Less: Gain on non-current trade and other payables at amortised cost ¹	(673,648)	(755,739)
Total trade and other payables – non-current	3,442,431	3,360,340

The non-current trade and other payables are interest free from 1 July 2021.

¹ The gain on non-current trade and other payables at amortised cost arose from the difference between the net present value of the interest-free non-current trade and other payables to be settled on 16 April 2026 (2023: 16 April 2025) and the settlement amount at balance date. A discount rate of 10.5% pa (2023: 12%) was applied to the future cash flows to determine their net present values. The gain decreased by \$82,091 (2023: increased by \$204,250) during the year (Note 2).

On 20 June 2024 the Directors and their related entities agreed to extend the settlement date of the non-current trade and other payables to 16 April 2026 (2023: 16 April 2025) or earlier at the Company's option.

	2024	2023
	\$	\$
10. Lease liabilities		
Current		
Office lease	1,450	16,324
Non-current		
Office lease	-	1,515

The lease liabilities are accounted for under AASB 16 – Leases (Note 26 (s)).

11. Borrowings

Non-current		
Interest free loans from Directors' related entities due 16 April 2026	1,434,375	1,434,375
Less: Gain on borrowings at amortised cost ¹	(234,754)	(388,825)
Loans at 10.5% pa from Director's related entity due 16 April 2026	70,000	-
Accrued interest on loans from Director's related entity due 16 April 2026	739	-
	<u>1,270,360</u>	<u>1,045,550</u>

¹ The gain on borrowings at amortised cost arose from the difference between the net present value of the interest-free borrowings, discounted at interest rate of 10.5% pa (2023: 12% pa), to be settled on 16 April 2026 (2023: 16 April 2025) and the contractual settlement amount at balance date. The gain decreased by \$154,071 (2023: increased by \$231,349) during the year (Note 2).

See Remuneration Report on pages 11 to 16 for details on the loans.

The loans are unsecured and the settlement date is 16 April 2026 or earlier at the Company's option.

12. Provisions

Current		
<i>Provision for rehabilitation of exploration areas:</i>		
Balance at beginning of year	220,000	200,000
Increase in provision during the year	22,000	20,000
Balance at end of year	<u>242,000</u>	<u>220,000</u>
<i>Provision for refund of penalties received:</i>		
Balance at beginning of year	645,000	596,500
(Decrease)/Increase due to exchange rate movement at balance date	(12,975)	48,500
Balance at end of year	<u>632,025</u>	<u>645,000</u>
Total provisions	<u>874,025</u>	<u>865,000</u>

The provision for rehabilitation of exploration areas relates to three wells in SC 44 that remain to be plugged and abandoned.

The provision for refund of penalties received is for €383,500 received in August 2018 by the Company from the French Government following a Pau Tribunal judgement on 5 July 2018. The judgement was subsequently annulled in December 2020 by the Court of Appeal of Bordeaux following an appeal by the French Government in September 2018 after they have paid the penalties. In June 2021, the Company lodged an appeal against that annulment with the Conseil d'état which, in September 2022, declined the appeal for a full hearing. The Company has considered it prudent to keep the existing provision for this

amount in Euros made in prior year and revalued at balance date exchange rate until the Company's lawyers advise on further action that can be undertaken.

13. Contributed equity

	2023 Shares	2022 Shares	2023 \$	2022 \$
a) Share capital				
Ordinary shares - fully paid	4,089,102,078	4,089,102,078	38,943,696	38,943,696

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Movements in ordinary share capital:

2024	Details	Number of shares	\$
1 Jul 23 and 30 Jun 24	Balance at beginning and end of year	4,089,102,078	38,943,696

During the year, 12,000,000 Employee Incentive Plan ("EIP") shares owned by Director Patrick Sam Yue were surrendered to the Company and held as treasury shares at balance date (see Note 13 (d) for details).

31,000,000 ordinary shares were held by the Company as treasury shares at 30 June 2024 (2023: 19,000,000 shares).

2023	Details	Number of shares	\$
1 Jul 22 and 30 Jun 23	Balance at beginning and end of year	4,089,102,078	38,943,696

During the year, 12,000,000 Employee Incentive Plan ("EIP") shares owned by Director Patrick Sam Yue were surrendered to the Company and held as treasury shares at balance date (see Note 13 (d) for details).

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Employee Incentive Plan (EIP) shares

Information relating to the employee share scheme is described in the Remuneration Report (d) on page 13.

Shares and non-recourse loans granted at balance date under EIP

	2024 Number	2024 \$	2023 Number	2023 \$
Balance at beginning of year	12,000,000	96,000	31,000,000	220,000
Surrendered to treasury shares by Director ¹	(12,000,000)	(96,000)	(12,000,000) ²	(96,000)
Surrendered to treasury shares by others	-	-	(7,000,000) ²	(28,000)
Balance at end of year	-	-	12,000,000	96,000

¹ Director Patrick W V M Sam Yue

² Held as treasury shares and owned by the Company at balance date

e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain a capital structure that minimises the cost of capital to the extent achievable.

In order to maintain or adjust the capital structure, the Company may issue new shares to raise funds in the equity market, sell assets and reduce debt.

There were no changes to the Group's approach to capital management during the year.

14. Reserves and accumulated losses

	2024	2023
	\$	\$
a) Reserves		
Share-based payments reserve	2,154,733	2,154,733
Foreign currency translation reserve	(1,834,931)	(1,834,931)
	<u>319,802</u>	<u>319,802</u>
b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at beginning of year	(44,520,993)	(44,164,207)
(Loss)/Profit for the year	(890,724)	(356,786)
Balance at end of year	<u>(45,411,717)</u>	<u>(44,520,993)</u>

c) Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of shares issued under the Employee Incentive Plan.

ii. Foreign currency translation reserve

Exchange differences arising on translation of the foreign subsidiary taken to the foreign currency translation reserve, as described in Note 26(d). The reserve is recognised in profit and loss when the net investment is disposed of.

15. Reconciliation of profit/(loss) after income tax to net cash flows from operating activities

	2023	2022
	\$	\$
(Loss) for the year	(890,724)	(356,786)
Loss/(gain) on financial liabilities at amortised cost	236,162	(435,599)
Amortisation	15,638	14,333
Finance costs	6,471	1,852
Provision for rehabilitation of exploration areas	22,000	20,000
Net exchange differences	296	64,652
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	4,900	(16,423)
Decrease in trade and other payables	(102,709)	(57,827)
Increase in prepayments	(1,908)	(1,602)
(Decrease)/Increase in provisions	(12,975)	48,500
Net cash (outflow) from operating activities	<u>(722,849)</u>	<u>(718,900)</u>

16. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rehabilitation and restoration obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of exploration areas in accordance with the Group's policy on provisions. These provisions which include future cost estimates are discounted to their present value where appropriate.

At each reporting date the rehabilitation liability is assessed and remeasured for timing or amounts of costs to be incurred. Rehabilitation provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved. At 30 June 2024 the provision recognised for rehabilitation costs of SC 44, which expired on 2 September 2020 and was terminated in June 2021, was increased to \$242,000 from \$220,000 at 30 June 2023.

Effective interest rate used in calculation of amortised cost

In calculating the net present values of interest-free non-current trade and other payables and borrowings the Group has used an effective interest rate of 10.5% (2023: 12%) pa, being the rate currently being charged on these liabilities bearing interest applied to the gross carrying amount of the financial liabilities.

Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to Note 4 for further details.

Litigation

At each reporting date, assessment is made on the costs and potential recoveries from legal disputes with the French Government in relation to the non-renewal of the St Griede permit in France. Potential recoveries on damages claims are prudently not recognised in the accounts in view of uncertainty of success. Unpaid legal costs are provided based on advice from the lawyers. In the case of the decision of the Appeal Court of Bordeaux in December 2020 to annul the penalties of €393,500 (\$632,025 at balance date exchange rate) paid by the French Government to the Company in July 2018 the full amount is prudently recorded as a provision for refund. In September 2022, the Conseil d'état declined the appeal for a full hearing. The Company's lawyers are advising on further action that can be undertaken.

17. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board and the interest rate risk and credit risks faced by the Group are considered minimal at this stage.

The Group holds the following financial instruments:

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents	18,769	671,328
Trade and other receivables	11,523	16,423
	<u>30,292</u>	<u>687,751</u>
Financial liabilities		
Trade and other payables - Current	607,272	704,515
Trade and other payables – Non-current	3,442,360	3,360,340
	<u>4,049,703</u>	<u>4,064,855</u>
Lease liabilities – Current and Non-current	1,450	17,839
Borrowings – Non-current	1,270,360	1,045,550
	<u>5,321,513</u>	<u>5,128,244</u>

(a) Market risk

i. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and Philippines Peso.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk at the reporting date was not material.

ii. Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

	Fixed interest rate maturing			Non-interest bearing		
	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years	Total
2024	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	16,334	-	-	2,435	-	18,769
Trade and other receivables	-	-	-	11,523	-	11,523
	<u>16,334</u>	<u>-</u>	<u>-</u>	<u>13,958</u>	<u>-</u>	<u>30,292</u>
Financial liabilities						
Trade and other payables	-	227,396	-	379,876	3,442,431	4,049,703
Leases	-	-	-	1,450	-	1,450
Borrowings	-	-	70,739	-	1,199,621	1,270,360
	<u>-</u>	<u>227,396</u>	<u>70,739</u>	<u>381,326</u>	<u>4,642,052</u>	<u>5,321,513</u>

	Fixed interest rate maturing			Non-interest bearing		
	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years	Total
2023						
Financial assets						
Cash and cash equivalents	653,290	-	-	18,038	-	671,328
Trade and other receivables	-	-	-	16,423	-	16,423
	653,290	-	-	34,461	-	687,751
Financial liabilities						
Trade and other payables	-	-	-	704,515	3,360,340	4,064,835
Leases	-	-	-	16,324	1,515	17,839
Borrowings	-	-	-	-	1,045,550	1,045,550
	-	-	-	720,839	4,407,405	5,128,244

The Group's main interest rate risk arises from cash and cash equivalents and deposits with banks.

The Group is not exposed to price risk.

Group sensitivity

At 30 June 2024, if interest rates had changed by +/- 50 basis points ("bps") from the year-end rates with all other variables held constant, post-tax loss for the year would have been \$94 higher/lower (2023: \$3,266 higher/lower), as a result of lower/higher interest income from cash and cash equivalents held at balance date.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures in respect of outstanding receivables and committed transactions.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(c) Liquidity risk

The Group manages liquidity risk by monitoring actual cash flows and maintaining sufficient cash or finance facilities to fund operations. Surplus funds are generally only invested in short term deposits with Australian banks.

Financing arrangements

At 30 June 2024, the Group had access to unsecured borrowing facilities of \$5,034,226 bearing no interest for amounts drawn until 15 May 2024 and bearing interest at 10.5% for amounts drawn after that date, and is available until 16 April 2026 with the Company having the sole option to pay early if it elects to. At balance date, a total of \$1,504,375 in principal plus interest accrued of \$739 represent the aggregate drawn under the facilities with the balance of \$3,529,112 available to be drawn as and when required by the Company.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows which may differ to the carrying values of the liabilities at the reporting date. The amounts are based on conditions existing at the balance date and may change depending on decisions taken by the group.

	Within 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
At 30 June 2024						
Non-derivatives						
Non-interest bearing	259,318	5,550,454	-	-	5,809,772	4,901,370
Variable rate	-	-	-	-	-	-
Fixed rate	349,404	70,739	-	-	420,143	420,143
Total non-derivatives	608,722	5,621,932	-	-	6,229,915	5,321,513
At 30 June 2023						
Non-derivatives						
Non-interest bearing	704,515	4,116,079	1,434,375	-	6,254,969	5,110,405
Variable rate	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-
Total non-derivatives	704,515	4,116,079	1,434,375	-	6,254,969	5,110,405

(d) Fair value of financial instruments

The Directors consider the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

18. Commitments and contingent liabilities

Commitments

The Group did not have any commitments as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2024 and 30 June 2023.

19. Related party transactions

	2024 \$	2023 \$
(a) Key management personnel compensation		
Short-term employee benefits	301,000 ¹	301,000
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>301,000</u>	<u>301,000</u>

¹ Of which \$96,000 have been charged to new projects and farmins evaluation.

Detailed remuneration disclosures are provided in the Remuneration Report on pages 11 to 16.

Other transactions and balances

Other transactions and balances at reporting date with key management personnel or their related entities are disclosed in the Remuneration Report on pages 14 to 16 and in Notes 9, 11 and, 13(b).

20. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 26(b).

Name of entity	Country of incorporation	Class of shares	Equity holding*	
			2024 %	2023 %
Gas2Grid Pte Limited	Singapore	Ordinary	100	100
Wellfin Pty Limited	Australia	Ordinary	100	100
GGX Eromanga Pty Ltd	Australia	Ordinary	100	100

*The proportion of ownership interest is equal to the proportion of voting power held.

21. Share-based payments

The Company has established a Gas2Grid Limited Employee Incentive Plan ("EIP") under which the Directors may offer options for free and ordinary shares at market price in the Company to eligible persons. The Directors may also offer interest free non-recourse loans for terms of up to 5 years under the plan for subscription of shares. Under such loans the Company holds a lien over the issued shares and the loans are repayable at the option of the eligible persons to be able to deal with the shares. Shares issued under the EIP in conjunction with non-recourse loans are accounted for as options. As a result, the amounts receivable from the eligible persons in relation to these loans are not recognised in the financial statements. Refer to the Remuneration Report contained in the Directors' Report on pages 11 to 16 for details of the Gas2Grid Limited Employee Incentive Plan.

At balance date there were no EIP shares on issue. 12,000,000 EIP shares were surrendered to the Company during the year (see Note 13(d)).

2024
\$

2023
\$

22. Remuneration of auditors

During the year the following fees were paid or payable for the remuneration of auditors:

Remuneration of the current auditor for:		
- auditing or reviewing the financial reports	39,766	36,690

No non-audit services were provided.

23. Loss per share

Loss for the year used in the calculation of basic and diluted loss per share	(890,724)	(356,786)
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	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	4,049,891,510	4,049,891,510

	Cents	Cents
Basic and diluted loss per share - cents	(0.02)	(0.01)

24. Parent entity financial information

The Parent Entity within the Group is Gas2Grid Limited and this is also the ultimate Parent Entity within the Group. The investment by the Parent Entity in subsidiaries at 30 June 2024 is \$3 (2023: \$3).

a) Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

Statement of financial position

Current assets	45,129	717,369
Non-current assets	1,304	18,382
Total assets	46,433	735,751
Current liabilities	1,482,747	1,585,842
Non-current liabilities	5,137,273	4,831,888
Total liabilities	6,620,020	6,417,730
Net (liabilities)	(6,573,587)	(5,681,979)
<i>Shareholders' equity</i>		
Issued capital	38,943,696	38,943,696
Reserves	319,802	319,802
Accumulated losses	(45,837,085)	(44,945,477)
	(6,573,587)	(5,681,979)
Loss for the year	(891,608)	(406,788)
Total comprehensive loss for the year	(891,608)	(406,788)

The Parent Entity has not entered into any financial guarantees as at 30 June 2024 (2023: nil).

b) Contingent liabilities of the Parent Entity

The Parent Entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

c) Contractual commitments for the acquisition of property, plant or equipment

The Parent Entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2024 or 30 June 2023.

25. Events occurring after the reporting period

There has not arisen in the interval since 30 June 2024 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

26. Material accounting policy information

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Gas2Grid Limited ("Company" or "Parent Entity") and its subsidiaries ("the Group").

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Gas2Grid Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS

The consolidated financial statements of the Gas2Grid Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

iii. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

iv. Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2024, the Group had net liabilities of \$6,148,219 (2023: \$5,257,495) including , \$1,270,360 in Directors' loans at amortised cost (2023: \$1,045,550) that fall due for repayment on 16 April 2026 and, \$3,442,431 (2023: \$3,360,340) in Directors' fees and accrued finance charges at amortised cost that fall due for repayment on 16 April 2026, with net working capital deficiency of \$1,436,731 (2023: deficiency \$868,471). The Group has made a loss of \$890,724 (2023: \$356,786) for the year ended 30 June 2024, arising mainly from operations expenses including costs of evaluation of new projects and farmins, application for a new Service Contract in the Philippines and loss on amortising the cost of financial liabilities.

To undertake exploration and appraisal activities in new joint ventures or a new Service Contract in Philippines and seek damages payment relating to the St Griede permit in France while the Group has no revenue producing assets, the Group requires regular injection of funds.

On 1 September 2023, Australian Securities Exchange ("ASX") determined that the level of the Group's operations is not adequate to satisfy the requirements of Listing Rule 12.1 and suspended the Company's securities from official quotation. According to the Listing Rules, the suspension may continue until 31 August 2025 before being removed from the official list of ASX unless the Group is able to demonstrate compliance with Listing Rule 12.1 and any other requirements of ASX or.as ASX may decide otherwise. See details on page 4 of the Operations Review.

The continuing ability of the Group to continue as a going concern and to undertake exploration activities and repay Directors' loans, outstanding fees and interest and other liabilities is dependent upon acquisition of new oil and gas interests and their successful development and exploitation and positive outcome from the claim against the French Government; drawing on loan facilities available from the related entities of Directors and new equity capital that may be raised.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group will be able to continue as a going concern. In arriving at this conclusion, the Directors considered the following:

- The expiry date of the loan facilities from related entities of Directors (D Morton, D Munns and P Sam Yue) is April 2026. The undrawn amount on these facilities was \$3,529,112 at balance date and is able to be drawn upon. There has been a drawdown of \$50,000 under the loan facilities since balance date.
- The Directors' fees and management fees may be negotiated to be deferred and not paid in cash by the Group.
- If required, management will negotiate to extend the maturity terms of the loan facilities and the current and non-current amounts payable to the Directors beyond the current maturity date of 16 April 2026,
- Undertaking further capital raisings.

At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2024. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

The Group financial statements consolidated those of the Parent Entity and its subsidiaries as of 30 June 2024 in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Boards.. The subsidiaries in the Group have a reporting date of 30 June.

Intercompany transactions, balances and gains or losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

(d) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Gas2Grid Limited's functional and presentation currency. The overseas subsidiary's functional currency is USD.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues.

(f) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(i) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade and other payables - current

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are due within 12 months of balance date.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer payment of the liability for at least 12 months after the reporting period.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted to their present values, where the time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Share-based payments

Share-based compensation benefits may be provided to employees and eligible persons via an employee incentive plan.

The fair value of options or shares granted under an employee incentive plan is recognised as share-based payment with a corresponding increase in equity. The Employee Incentive Plan (EIP) shares granted with loans repayable at the option of the holder are treated as akin to share options in accordance with generally accepted accounting principles. The total amount to be expensed is determined by reference to the fair value of the options or shares granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

The fair value of shares issued under EIP is measured at grant date and is determined using the Black-Scholes option pricing model that takes into account the term of the EIP shares, the exercise price, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the EIP shares.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(o) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Investment in subsidiaries

Investments in subsidiaries are accounted for at cost. Trade amounts receivable from the subsidiaries in the normal course of business and other amounts advanced on commercial terms and conditions are included in receivables.

(q) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

loans and receivables

financial assets at fair value through profit or loss (FVTPL)

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(s) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group. However, all contracts

that are classified as short-term leases (ie a lease with a term of 12 months or less) and leases of low-value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease or if this rate cannot be readily determined, at the Group's incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying assets, whichever is the shortest.

(t) New and effective standards that are effective for these financial statements

The Group has adopted all of the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023.

It has been determined that there has been no material impact of the new and revised Accounting Standards and Interpretations on the Group's business.

(u) New accounting standards and interpretation

Certain new Accounting Standards and Interpretations have been published that are not mandatory for annual reporting periods ending 30 June 2024 and have not been adopted early by the Group. No significant impact on the Group's financial performance or position is expected when they are adopted.

(v) Parent entity financial information

The financial information for the Parent Entity, Gas2Grid Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements.

As required by the Corporations Act 2007 (s.295(3A)(a)) relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year is set out below.

Name of entity	Type of entity	Equity holding %	Country of incorporation	Country of residence for tax purposes
Gas2Grid Limited	Body corporate	N/A	Australia	Australia
Gas2Grid Pte Limited	Body corporate	100	Singapore	Singapore
GGX Eromanga Pty Ltd	Body corporate	100	Australia	Australia
Wellfin Pty Limited	Body corporate	100	Australia	Australia

In the Directors' opinion:


- a) the financial statements and notes set out on pages 18 to 40 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- b) the consolidated entity disclosure statement as at 30 June 2024 set out on page 40 is true and correct, and
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 26(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

The Consolidated Entity Disclosure Statement prepared in accordance with subsection 295(3A) of the *Corporations Act 2001* (Cth) and included in the financial report is true and correct.

This declaration is made in accordance with a resolution of the Directors.



Dennis Morton
Director

Sydney
25 September 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GAS2GRID LIMITED****Report on the Audit of the Financial Report*****Opinion***

We have audited the financial report of Gas2Grid Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 26 to the financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2024, the Group had cash and cash equivalents of \$18,769 with net cash outflows from operating activities of \$722,849 for the year ended 30 June 2024, a net working capital deficiency

of \$1,436,731 and recorded a loss after income tax of \$890,724 for the year. The Company is also in dispute with and seeking reparations from the French government in relation to action taken against it. This casts a material uncertainty in relation to the entity's going concern assumption.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital, and/or successfully exploiting its assets, and/or receiving favourable outcomes from the claim against the French government. In the event that the Group is not successful in raising further equity and/or successfully exploiting its assets or successful in the damages claim in France, and by establishing interests in exploration licenses in Philippines, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no others matters to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement) and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2021, and
for such internal control as the directors determine is necessary to enable the preparation of
 - i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
 - ii. the consolidated entity disclosure statement that is true and correct and is free from misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report*Opinion on the Remuneration Report*

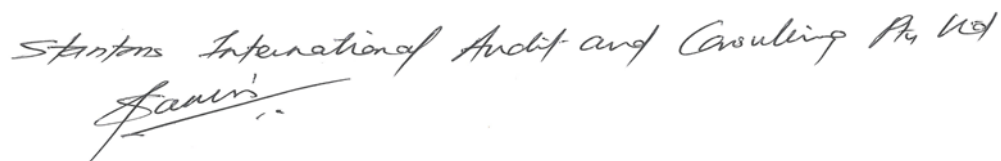
We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Gas2Grid Limited for the year ended 30 June 2024 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
25 September 2024

The shareholder information set out below was applicable as at 28 August 2024.

1. Substantial Shareholders

Substantial Shareholders in the Company are set out below:

	Ordinary shares – number held	Percentage of issued shares
Dennis Morton	816,954,858	19.98
David Munns	757,827,969	18.53
Patrick Sam Yue	401,182,998	9.81

2. Voting rights

The voting rights attached to the shares are, on a show of hands every member present in person or by proxy shall have one vote and upon a poll, are one vote for each share held.

3. On-market buy-back

There is no current on-market buy-back.

4. Distribution of Shareholders

(i) Analysis of numbers of shareholders by size of holding:

Size of holding	Number of shareholders	Number of shares held	%
1-1,000	110	11,336	0.000
1,001-5,000	31	110,776	0.003
5,001- 10,000	108	985,990	0.024
10,001-100,000	554	28,144,040	0.688
100,001 – and over	945	4,059,849,936	99.285
	1,748	4,089,102,078	100.000

(ii) There were 1,318 shareholders with less than a marketable parcel of shares

5. Twenty largest Shareholders

Name of Shareholder	Number held	% of issued shares
DENNIS MORTON	816,954,858	19.98
DAVID MUNNS	757,827,969	18.53
PATRICK SAM YUE	401,182,998	9.81
OCTAN ENERGY PTY LTD	203,326,707	4.97
MRS M S NG	193,236,406	4.73
REMORA PTY LTD	106,056,581	2.59
VESWAY PTY LTD <ESVSY SUPER FUND A/C>	73,510,811	1.80
MR P L GEORGE AND MRS S L GEORGE	65,300,000	1.60
D W REEDER	59,772,618	1.46
MR M K WALCOTT	48,478,261	1.19
SOLENTE NOMINEES PTY LTD <SOLENTE INVESTMENT A/C>	46,115,780	1.13
MR M F E SOLENTE	38,122,029	0.93
BHC CONSULTING PTY LTD <THE BH CANDY FAMILY A/C>	33,700,000	0.82
MR J D ABERDOUR	32,000,500	0.78
CITICORP NOMINEES PTY LIMITED	23,205,996	0.57
SIMPLE HOLDINGS PTY LTD	22,722,000	0.56
MS A E SOLENTE	21,415,000	0.52
POBELO SUPER PTY LTD <POBELO P/L SUPER FUND A/C>	16,429,108	0.40
SOLENTE ESTATE PTY LTD <ESTATE OF F G H SOLENTE A/C>	16,000,000	0.39
Twenty largest shareholders	2,995,357,622	73.25
Others	1,093,744,456	26.75
	4,089,102,078	100.00