



29th July, 2014

ASX Market Announcements

SERVICE CONTRACT 44: UPDATE

Gas2Grid limited (100%), Onshore Cebu, Philippines

Gas2Grid Limited is pleased to advise that Malolos-1 well operations are continuing with a daily cycle of wellhead pressure buildup followed by gas flaring and wellhead pressure reduction which has been associated with some oil production.

As previously advised Malolos-1 swabbing operations were suspended on the 17th June after sufficient production data had been gathered to support an application to the Philippine Department of Energy, to continue operations within SC 44 to establish the best completion technology and fully appraise the oil field.

Over the past few weeks the Malolos-1 well has been shut-in overnight resulting in the wellhead pressure building up to between 100-220 psi. The pressure build-up is associated with an increase in oil and natural gas in the tubing. The gas is flared daily to lower the wellhead pressure to zero and then shut-in again overnight. The gas is being sourced from solution within the oil, which has now flowed to surface under natural pressure.

Last Thursday morning the well produced 3.75 bbls oil in one hour, under natural pressure, when the well was first opened with an associated overnight wellhead pressure build-up of 128 psi. The wellhead pressure increased to 220 psi on Friday morning. The recent wellhead pressure increase and minor oil production provides encouraging information regarding the longer term commercial viability of the Malolos Oil Field.

The Company has recently met with officials from the DOE and separately submitted an application, under the terms of SC 44, for a further period in order to determine the best completion technology to be applied to well completions during field appraisal and development, which will involve seismic acquisition followed by drilling.

The Company will also seek a farminee to fund field appraisal and development.

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