

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2018

During the June 2018 Quarter, developer of global integrated compressed natural gas (CNG) projects, Global Energy Ventures Ltd (ASX: GEV) continued to progress a number of key workstreams in parallel, with the key highlights as follows:

- Ship design, engineering and ABS approvals of its CNG Optimum 200 which remains on budget and schedule for 2018;
- Meeting with ship yards in South Korea and China and ship financing groups;
- Progressed several CNG Project opportunities;
- Conducted due diligence on several gas fields where commercialisation of the gas by CNG is either the only or best option available
- Submitted an application for an R&D Rebate Advance Overseas Finding; and
- Ended the quarter in a stronger cash position (A\$5.3 million) than budgeted

ABS APPROVALS FOR CNG OPTIMUM 200

The first of a series of tests on the CNG Optimum high-pressure gas containment system will begin July 31. The first test will be a burst test whereby the pressure in the pipe is increased to very high levels, well beyond the maximum operating pressure, to demonstrate that the ultimate capacity of the pipe exceeds requirements.

During the quarter, 100 tonnes of high strength pipe was delivered to CFER-Technologies' testing facility in Edmonton, Canada. This pipe is being tested for strength, ductility, fatigue resistance and its capacity to work as a holistic, ship-integrated, pressure vessel creating the most economically Optimum system possible. This comprehensive test program is required by the American Bureau of Shipping (ABS) to verify the safety and reliability of the CNG Optimum technology to achieve ABS Class Approval.



GEV pipe being welded into pressure vessels (left). David Stenning, Chief Operating Officer of GEV Canada with Finished pressure vessels for testing (right)

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Under the direction of GEV Canada, CFER-Technologies has spent the past few months developing the test program's technical parameters as well as the test apparatus required to carry out the tests. Since the delivery of the pipe, CFER has been preparing for the testing program by cutting some of the pipe into smaller pieces and welding them together in order to test the girth welds under cyclic loading.

Some of the welded pipe will be assembled into a group of pipes and connected to a manifold system. This mini-Optimum containment system will undergo fatigue testing to prove the long-term reliability of the system as it is loaded and unloaded with compressed natural gas (CNG) for 30+ years.

One of the tests will demonstrate that the entire pipe bundle can resist the loads imposed by the ship as it flexes in the open ocean. This test requires 17 pipes assembled into a frame and then forced together as in the CNG Optimum ships. An illustration of the testing frame and pipes can be seen below:

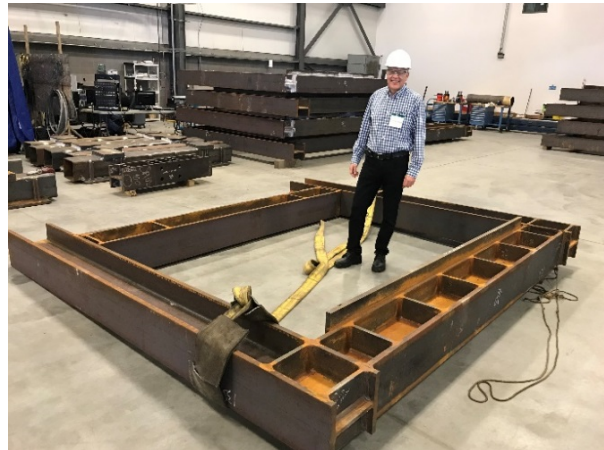
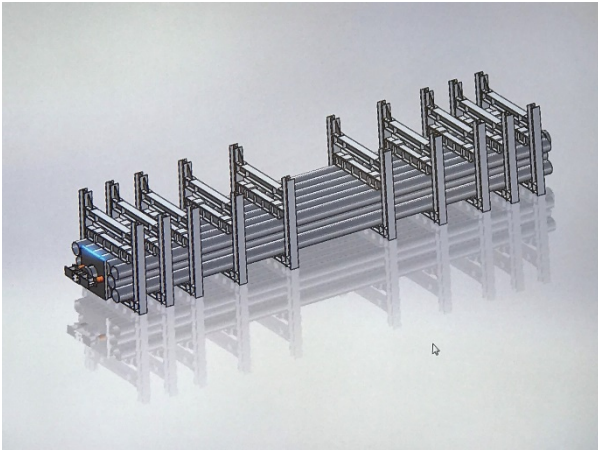


Illustration of Testing Frame (left), and Actual Testing Frames being inspected by David Stenning, Chief Operating Officer of GEV Canada (right)

This assembly is then lifted at either end and the deflections carefully measured. The deflections are also measured when the pipes are not forced together. By measuring the deflections, it will be shown that the CNG Optimum gas containment system will act together as a holistic system of pressure vessels and that the pipes will not move relative to each other and that the entire assembly will not move relative to the ship, even in extreme seas. This test demonstrates the central idea behind the CNG Optimum ship which is GEV's proprietary intellectual property (patents pending).

The testing program is scheduled to be completed in September. ABS will witness and verify these tests as part of its approval process. ABS Approval is expected by the end of September, on schedule.

In addition to the testing program, engineering work on the ship design, gas manifold systems and risk assessment were also carried out this quarter.

In developing its CNG Optimum 200 system, GEV is required to obtain ABS approval to allow it to commence construction of the CNG Optimum 200 ships. Importantly, following approval, GEV will be in a position to immediately move forward with its CNG Projects once all commercial agreements and financing arrangements are executed.

Shipyard Selection and Financing

During the quarter, GEV met with seven ship yards. This followed the issue, in the quarter, of over 200 pages of drawings and specifications for the CNG Optimum ship. This level of detail will allow the ship yards to prepare a ship building price and schedule for the CNG-O-200. GEV had previously advised that it planned to select a ship yard by end of Q2 from a short list of five, but with one of the original yards withdrawing and

three new yards requesting consideration, GEV elected to provide more time to evaluate its preferred ship yard. In order to maintain a competitive outcome, GEV now intends to select two preferred yards in Q3 and finalise prior to year-end.

GEV has also met with three ship financing parties as arranged by its broker Clarkson's. GEV intends to enter into a Financing Lease for each ship. Based on interim terms provided, the ship financing facilities are in line with GEV expectations. The Company will outline the funding terms at the time of the final selection of the shipyard.

Atlantic CNG Project status and Port Meridian

GEV continued to work with the Port Meridian management team in terms of both gas supply access for potential CNG supply to the UK market and modifications of the LNG import terminal to accept CNG delivery of gas. As a result of the completed studies, GEV expects to be able to provide shareholders with more definitive information in the current Quarter

Chabahar CNG Project status including Indian HOA

In accordance, with the gas supply and port agreements signed as a part of the Chabahar CNG Project, GEV has continued to work through definitive and legally binding agreements as well as technical and commercial options for both CNG loading and unloading. Chabahar CNG is destined for west coast India, and the draft Heads of Agreement for gas supply (equivalent to 1.5 mtpa of LNG) is currently being internally progressed through the proposed gas buyer's Board of Directors. GEV remains confident that approvals for the execution of the HOA will be received shortly. The Chabahar port is located in Iran and the recently imposed sanctions by the US has caused delays. The parties that GEV are negotiating with on gas supply are also buyers of oil from Iran so are also addressing the issue of existing contracts as well as future oil purchases.

During the quarter GEV received advice from the Australian Government that it is in full compliance with the Government position in regards to trading with Iran.

Gas acquisition progress

GEV has concentrated its efforts on securing equity in discovered off-shore gas resources in India; Malaysia; PNG and Australia. GEV has completed extensive due diligence on gas acquisitions in these four countries. GEV is currently progressing negotiations on all four regions and remains on schedule to secure equity gas in the second half of 2018 that would be suitable for an additional integrated CNG project to be announced.

Research and Development expenditure

GEV has spent over A\$2.6 million on research and development since the acquisition of the GEV CNG Optimum technology in December 2017. The majority of the R&D spend has been spent in North America due to the location of the necessary technical facilities required to obtain ABS Class Approval. GEV has submitted an Advance Overseas Finding Application to the Australian Department of Industry, Innovation and Science for the overseas R&D expenditure to qualify for an R&D Rebate.

Cash position comments

Cash held at 30 June 2018 was approximately A\$5.38 million. GEV is pleased to report that its cash spend for the quarter remains within budget, with the Company sufficiently funded to maintain its current work streams in 2018.

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About Global Energy Ventures Ltd

The Company's mission is to create shareholder value through the delivery of integrated CNG solutions to global gas markets. CNG is a well proven solution with technical and commercial advantages along with being safe and environmentally friendly. This will be achieved by:

- Continuing the roll out of **GEV CNG Optimum Technology** and maintaining global leadership in marine CNG technology;
- Pursue **multiple CNG projects** to improve the probability of success;
- Secure **access to strategic gas resources** that provides for an integrated CNG gas supply solution;
- Offer CNG project stakeholders **flexible commercial arrangements**;
- Employ **world class management** and staff that are leaders in their chosen discipline; and
- Maintain the **highest standards** of efficiency, safety and environmental responsibility.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Global Energy Ventures Ltd

ABN

53 109 213 470

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	—	43
1.2 Payments for		
(a) research and development	(1,117)	(1,880)
(b) product manufacturing and operating costs (oil production costs)	(7)	(36)
(c) advertising and marketing	(15)	(56)
(d) leased assets	—	—
(e) staff costs (R&D)	(144)	(746)
(e) staff costs (non R&D)	(309)	(951)
(f) administration and corporate costs	(190)	(958)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	3	16
1.5 Interest and other costs of finance paid	—	—
1.6 Income taxes paid	—	—
1.7 Government grants and tax incentives	—	—
1.8 Other (project development)	(461)	(1,348)
1.8 Other (exploration and evaluation)	(2)	(159)
1.8 Other	71	71
1.9 Net cash from / (used in) operating activities	(2,171)	(6,004)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(17)
	(b) businesses (see item 10)	—	(1,985)
	(c) investments	—	(1,316)
	(d) intellectual property	—	—
	(e) other non-current assets	—	(2)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	—	—
	(b) businesses (see item 10)	—	—
	(c) investments	—	—
	(d) intellectual property	—	—
	(e) other non-current assets	151	461
2.3	Cash flows from loans to other entities	—	—
2.4	Dividends received (see note 3)	—	—
2.5	Other (provide details if material)	—	—
2.6	Net cash from / (used in) investing activities	145	(2,859)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	49	10,800
3.2	Proceeds from issue of convertible notes	—	—
3.3	Proceeds from exercise of share options	—	—
3.4	Transaction costs related to issues of shares, convertible notes or options	—	(578)
3.5	Proceeds from borrowings	—	—
3.6	Repayment of borrowings	—	—
3.7	Transaction costs related to loans and borrowings	—	—
3.8	Dividends paid	—	—
3.9	Other (provide details if material)	—	—
3.10	Net cash from / (used in) financing activities	49	10,222

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	7,235	3,865
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,171)	(6,004)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	145	(2,859)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	49	10,222
4.5	Effect of movement in exchange rates on cash held	122	156
4.6	Cash and cash equivalents at end of quarter	5,380	5,380

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,380	7,235
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,380	7,235

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	165
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Item 6.1 includes fees, salaries and superannuation paid to directors.		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	—
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	—	—
8.2 Credit standby arrangements	—	—
8.3 Other (please specify)	—	—
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	2,000
9.2 Product manufacturing and operating costs	—
9.3 Advertising and marketing	15
9.4 Leased assets	—
9.5 Staff costs	400
9.6 Administration and corporate costs	250
9.7 Other (provide details if material)	—
9.8 Total estimated cash outflows	2,665

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals \$A'000
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Performance Shares

On 7 December 2017, Global Energy Ventures Ltd (**GEV**) issued 1,850,000 Class A Performance Shares, 2,200,000 Class B Performance Shares, 2,350,000 Class C Performance Shares, 6,250,000 Class D Performance Shares and 3,200,000 Class E Performance Shares (together "Performance Shares"). All Performance Shares remained on issue at the end of the quarter. All Performance Shares expire on 6 December 2022 (**Expiry Date**) and on achievement of the relevant milestone for each Class of Performance Share, each Performance Share of that class will convert into one ordinary share in the Company. Class A Performance Shares will convert when either (a) a notice to proceed for a contract for the construction of CNG ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on Sea NG Corporation (SeaNG) Technology (**Project**) is given (**Notice to Proceed Date**); or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to 6 December 2017 (**Effective Date**); and (ii) GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (**Optimum CNG Ship**) of any size; and (iii) a period of 24 months or more has elapsed since the Effective Date. Class B Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the Effective Date; and (ii) either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (**Contract Date**); and (iii) a period of 30 months or more has elapsed since the Effective Date. Class C Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the Effective Date; and (ii) the Contract Date occurs; and (iii) a period of 36 months or more has elapsed since the Effective Date. Class D Performance Shares will convert when the Notice to Proceed Date occurs. Class E Performance Shares will convert when a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Coselle Technology is given. If the relevant milestones above are not achieved by the Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of A\$0.00001 within 14 days of the Expiry Date. The issue of the Performance Shares was approved at the general meeting of shareholders held on 30 November 2017. Subsequent to the issue of the Performance Shares, Sea NG Corporation changed its name to GEV Canada Corporation.

No Performance Shares were converted or cancelled during the quarter. None of the Performance Shares had their vesting conditions met during the quarter.

Compliance statement

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

Sign here: Jack Toby
(~~Director~~/Company secretary)

Date: 24 July 2018

Print name: Jack Toby

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.