

30th April, 2015



ACTIVITIES REPORT MARCH 2015 QUARTER

SUMMARY

Philippines

- 2 Year Technical moratorium covers period 28th January, 2015 to 27th January, 2017
- Progress made on studies aimed at determining the best well completion technology to maximise oil production
- Proposed drilling program to be funded by farmout

France

- 3 new petroleum exploration licence applications reaching final processing stage before approval

PHILIPPINES: SERVICE CONTRACT 44 (100%), Onshore Cebu

The Philippine Department of Energy ("DOE") approved a 2 year technical moratorium in order to provide sufficient time to complete studies and establish the appropriate completion technology for maximising sustainable oil production that if successful will lead to full oil field appraisal/development.

To date, the Company has engaged with industry experts analyzing all available technical data to identify the completion technology that will minimize sand and clay production to avert production blockage. Preliminary results of this work indicate the preferred method to complete the new wells will be with standard, industry screens. The installation of screens as opposed to perforated casing should maximize and sustain oil production whilst retaining the reservoir sand and producing the clay fines.

Studies are also being conducted on the open-hole mud and hydraulic program designed to minimize formation damage and maintain well-bore stability.

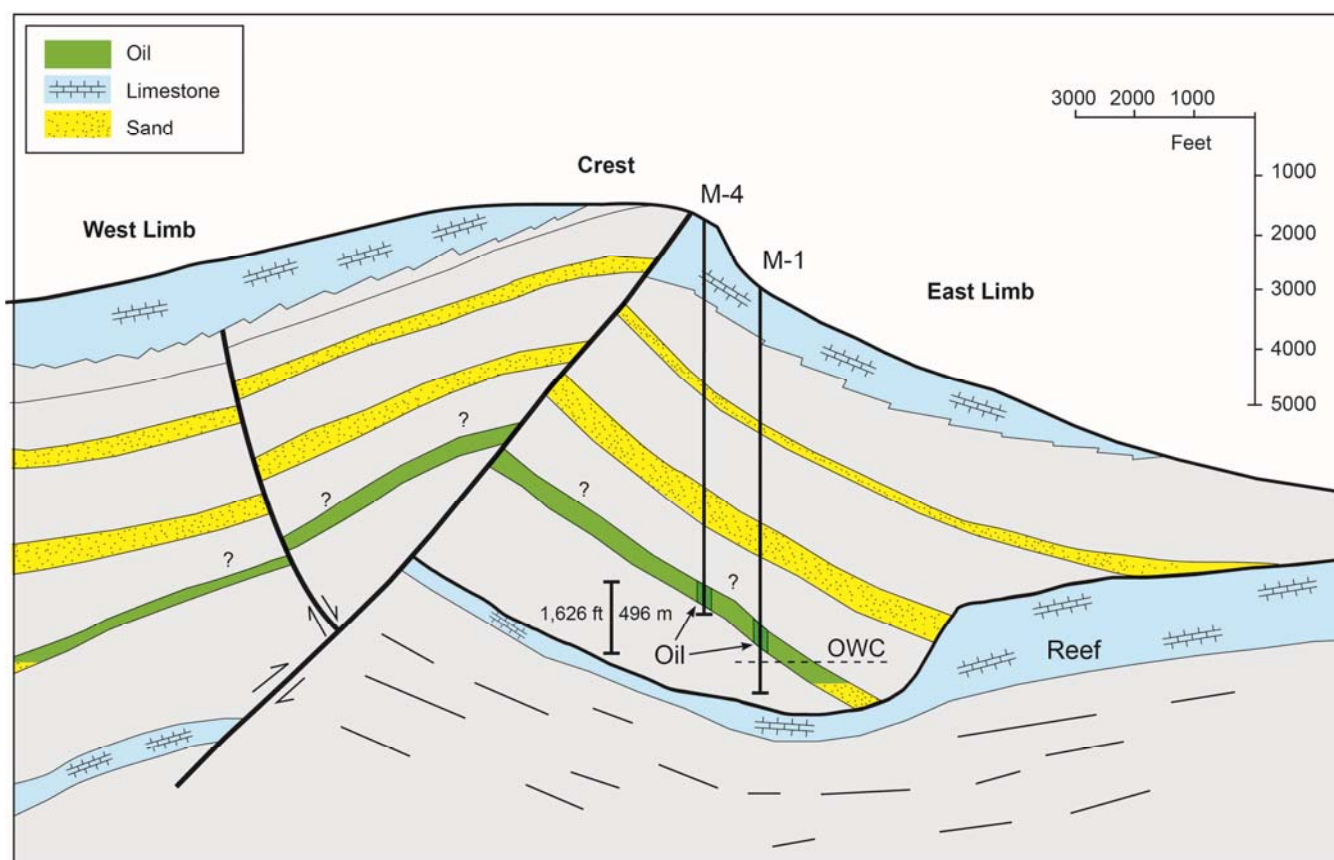
The forward program will either incorporate the deepening and deviating up-dip the existing Nuevo Malolos-1 or the drilling of a new well. Both options will likely incorporate deviated well paths. Planning of the well design is also being conducted.

Farmout

The Company considers the best way to fund the full appraisal and development of the Malolos Oil Field is by securing a farmin partner. Farmout presentations continued during the quarter with a current focus on targeting oil companies located in South-East Asia.

The Malolos Oil Field still represents an attractive opportunity despite the recent oil price drop and the immediate effect that it has had on the oil industry Worldwide. The Malolos Oil field has a 20.4 million barrel “Best Estimate (P50) Contingent Resource” of good quality, low sulphur crude oil that is located onshore, close to transportation in a country with excellent fiscal terms. This could result in low development and operating costs which will leave a healthy profit margin, even at the current low oil price.

The Malolos Oil Field development compares favourably to those projects extracting oil (or gas) from shale and offshore oil and gas developments (particularly deep-water discoveries) where the development and operating costs are likely to be higher than the current oil sale price. The USA onshore oil industry has already seen the number of active, onshore drilling rigs drop by approximately 40%, with most of the decrease coming from those rigs working in the unconventional projects (mainly shale). This trend will likely continue whilst the oil price remains low.



Cross-Section: Malolos Oil Field

FRANCE: ST. GRIEDE (100%), Onshore Aquitaine Basin

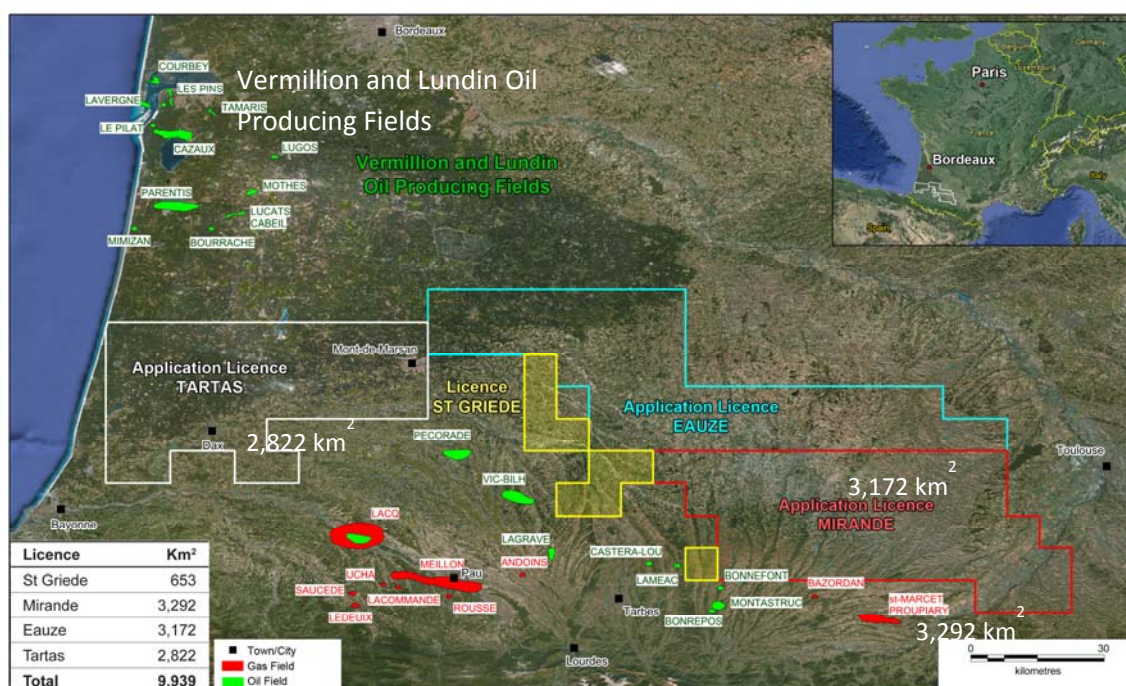
The Company regards the oil and gas exploration potential within that licence as being exceptional. 100% ownership provides a great opportunity to create significant value for shareholders.

The Company plans to carry out, in the June quarter 2015, a new seismic survey that was approved by the French Government in July 2014. The survey will commence after the Minister has confirmed renewal of the licence to May 2018.

Interpretation of seismic survey will seek to determine at least one well location on a conventional oil and gas prospect for drilling in financial year 2015/2016.

FRANCE: NEW APPLICATIONS (100%), Onshore Aquitaine Basin

Three new licence applications targeting conventional oil and gas (Tartas, Eauze and Mirande) were submitted to the French Government over 3 years ago. These licence applications have been advertised in the European Union Gazette under normal processing procedures and they are approaching grant decisions by the French Government.



Aquitaine Basin: St. Griede Licence and 3 New Licence Application Areas

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The information 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 40 years' experience in the oil and gas industry.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	7	34
1.2	Payments for (a) exploration & evaluation	(153)	(713)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(73)	(297)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	2
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Other (GST/forex differences)	(24)	(15)
Net Operating Cash Flows		(243)	(992)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (security deposit refunded)	-	3
Net investing cash flows		-	3
1.13	Total operating and investing cash flows (carried forward)	(243)	(989)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(243)	(989)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	100	802
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	(3)
	Net financing cash flows	100	799
	Net increase (decrease) in cash held	(143)	(190)
1.20	Cash at beginning of quarter/year to date	260	304
1.21	Exchange rate adjustments to item 1.20	1	4
1.22	Cash at end of quarter	118	118

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,800	5,058
3.2 Credit standby arrangements	-	-

If required, funds will be drawn from the loan facilities to meet cash flows in next quarter.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	110

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	118	260
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	118	260

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	787,275,744	745,425,744		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2015
Company secretary

Print name: Patrick Sam Yue

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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