



**GAS2GRID LIMITED**  
**A.B.N. 46 112 138 780**

**INTERIM REPORT**  
**31 DECEMBER 2014**

**GAS2GRID Limited** ABN 46 112 138 780  
**Interim Report – 31 December 2014**

<b>Contents</b>	<b>Page</b>
Directors' report	1
Auditor's independence declaration	8
Interim financial report	
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	17
Independent auditor's review report	18

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Gas2Grid Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' report

Your Directors present their report on the consolidated entity consisting of Gas2Grid Limited and the entity it controlled at the end of, or during the half-year ended 31 December 2014.

## Directors

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

D A Munns  
D J Morton  
D W Reeder (ceased 27 November 2014)  
P W V M Sam Yue

## Review of operations

### HIGHLIGHTS

#### Philippines

- 2 year technical moratorium approved by the Philippine Department of Energy.
- Technical moratorium covers period 28<sup>th</sup> January, 2015 to 27<sup>th</sup> January, 2017.
- Year 1 commitment to research optimum completion technology.
- Seeking farm-in partners to fund work program.

#### France

- 3 new petroleum exploration licence applications reaching final processing stage before approval by the Minister.
- Awaiting formal notice from Minister on the renewal of St Griede licence.



**SC 44 Location on Cebu Island, Philippines**

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

Oil production flow testing of Malolos-1 has demonstrated that the well is capable of producing oil at commercial rates. The well has produced at the rate of approximately 200 barrels of oil per day on several occasions but only for short periods of time. Oil flow has been impaired by blockage of the perforations within the wellbore by formation fines.

Well testing has determined that the two objective sandstones are oil bearing, established an oil-water contact for the lower oil sandstone indicating a minimum 500 metre vertical oil accumulation (when Malolos-1 is correlated with the oil sands in Malolos-4) and established that oil production rates are being impeded by fines migration and sand production.

Malolos-1 production testing by swabbing was suspended on the 17th June 2014 after sufficient test data had been gathered to support an application to the Philippine Department of Energy ("DOE") for a 2 year technical moratorium to complete further work to establish the appropriate completion technology for sustained production and full appraisal and development of the oil field. The application was submitted in accordance with the terms of the Service Contract. The well continues to be produced under natural flow conditions.

DOE approved the 2 year technical moratorium and it was received by the Company in December 2014. The technical moratorium is in accordance with the terms of the Service Contract. The Company aims to complete this 2 year program (outlined below) as quickly as it can with funding, ideally being provided by a farm-in partner.

**RESOURCE ESTIMATES\*:** In the Malolos Oil Field, the "Contingent Resource" of oil in place in the two productive sandstones was re-assessed upwards in the March Quarter 2014 to be between **6.8 million** barrels (Low Estimate "1C") and **68.1 million** barrels (High Estimate "3C"), with a Best Estimate "2C" of **20.4 million** barrels of "Total Oil Initially in Place". (In June 2013, the Company had reported a "Contingent Resource" of the Malolos Oil Field to between **4 million** barrels (Low Estimate "1C") and **42 million** barrels (High Estimate "3C"), with a Best Estimate "2C" of **12 million** barrels of "Total Oil Initially in Place".) The size of these resources warrants further investment in that oil field.

## TWO YEAR WORK PROGRAM

### Year 1 (28 January 2015 – 27 January 2016) – US\$100,000 commitment

- Research and design a mud/hydraulics program to minimise formation damage in open hole.
- Research possible alternatives to enhance current oil production from Malolos-1 well.
- Malolos-1: implement any enhancement program warranting application in cased hole.
- Malolos-1: continue to test produce.
- Conduct new petrophysical analysis on Nuevo Malolos-1, Malubog Formation core.
- Collect Malubog Formation outcrop samples and conduct petrophysical analysis.
- Commence research, in association with industry experts and service contractors, on best completion type for Malubog Formation sandstone reservoirs, incorporating all available petrophysical data.
- Map in detail Malolos surface anticline.



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

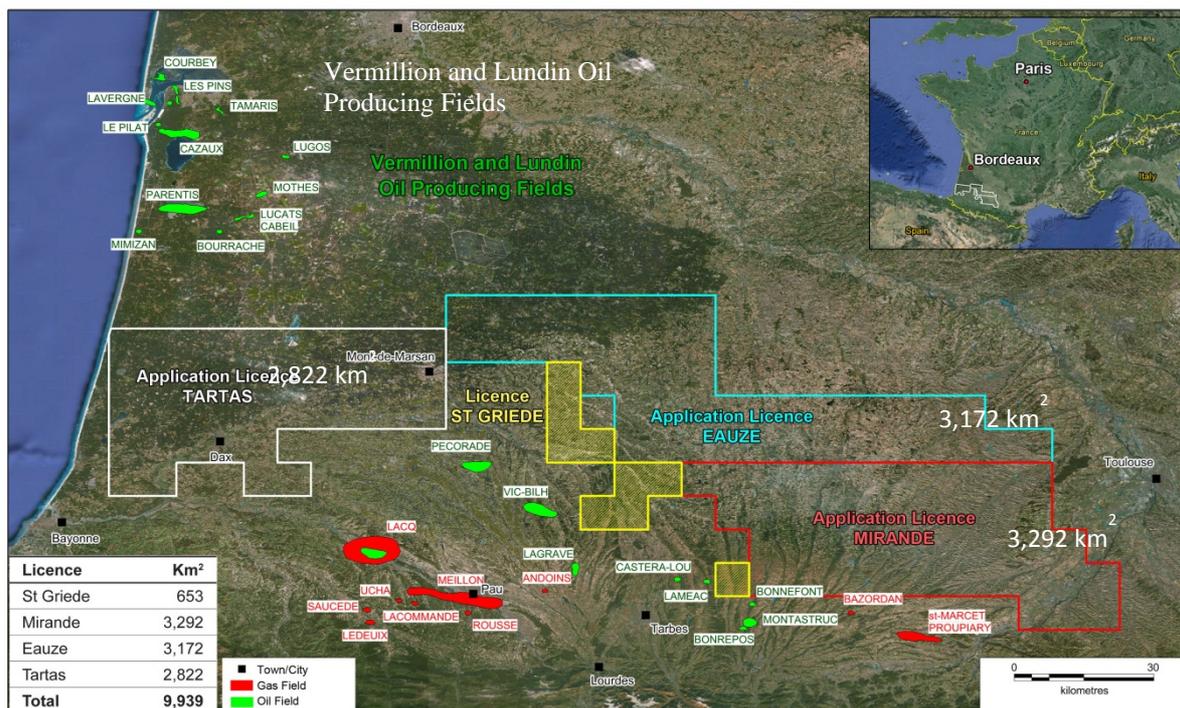
The Company regards the 100% ownership of the St. Griede licence and the oil and gas exploration potential may create significant value for shareholders in the longer term.

The Company planned acquisition of a new seismic survey has been approved by the French Government in July 2014. The survey is planned to be carried out in the June quarter 2015 pending confirmation of the renewal of the licence by the Minister.

Interpretation of the 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**

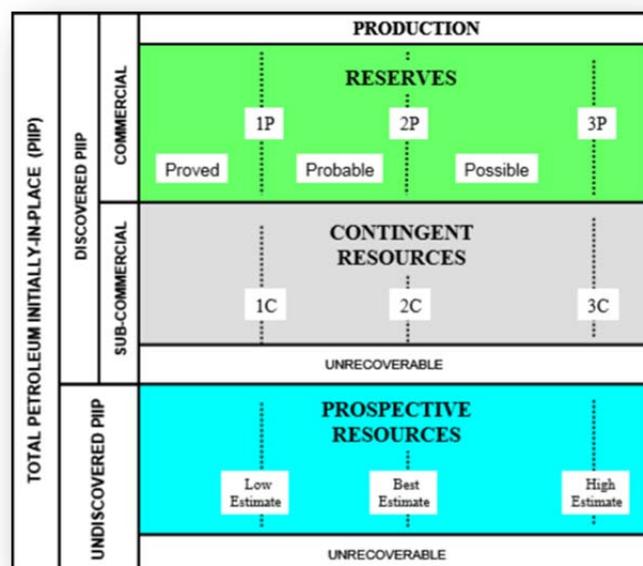
Three new licence applications targeting conventional oil and gas (Tartas, Eauze and Mirande) were submitted to the French Government over 3 years ago. These licence applications have been advertised in the European Union Gazette under normal processing procedures and these are approaching grant decisions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



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

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.

\* The Resources assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The Resource estimates used in this presentation were compiled by Mr Len Diekman (Member SPE), Energetica Consulting, who is a qualified person as defined under the ASX Listing Rule 5.11 and has consented to the use of Resource figures in the form and context in which they appear in this presentation.



**Graphic Summary of the SPE-PRMS classification of resources and reserves for petroleum projects.**

**FINANCIAL**

**Funding:** During the half year, the loan facilities from related entities of Directors (D Morton, D Munns and P Sam Yue) were increased from \$5,550,000 at 30 June 2014 to a total of \$5,800,000 to ensure that the Company is sufficiently funded for operations.

In February 2015, the period of availability of the facilities was extended from 1 October 2015 to 1 October 2016. At 31 December 2014 a total of \$4,851,427 has been drawn under the facilities including accrued interest and establishment fees. The loan facilities bear interest at 9% per annum with a 1% establishment fee based on arm's length commercial borrowing for an entity in the Company's circumstance.

To undertake exploration and appraisal activities in Philippines and exploration in France while the Company has no revenue producing assets, the Company requires regular injection of funds and the level of activities is dictated by the funds that are available. Currently the Company has only budgeted for the exploration expenditure that satisfies the minimum licence commitments and the financial position of the Company allows.

The absence of guarantee in sourcing new funds for the Company's future activities presents doubts on the Company's ability to continue as a going concern and to be able to realise its assets and discharge its liabilities in the normal course of business. This going concern issue is further discussed below, in detailed in Note 1 to the Financial Statements and is subject to emphasis in the auditor's review report.

To continue the exploration activities and to meet its financial commitments as and when they fall due the Company will be pursuing sources of finance that include:

- Selling part of the Company's interests in its exploration licences and entering into joint ventures for the potential development of the projects;
- Undertaking further capital raisings;
- Selling of two drilling rigs and other field equipment; and
- Obtaining debt finance.

**Performance:** During the half year the Group incurred net losses of \$4,478,359 which included \$3,810,068 of exploration expenditure and rights written off in relation to operations in current and prior periods in France and Philippines having regards to the excess over recoverable amounts to be carried forward to the future financial period and \$99,000 of share based payments for shares issued under the Employee Incentive Plan.

**Financial Position:** Cash at 31 December 2014 was \$259,635 (30 June 2014: \$304,290) whereas current assets was \$343,110 (30 June 2014: \$414,182).

Current liabilities were \$520,927, a reduction from 30 June 2014 of \$1,087,923 as most creditors have been settled through cash on hand and funds received from Directors' loans.

All amounts owing to Directors for fees from 1 October 2013 to 30 September 2014 of \$326,000 were paid by the issue of 21,733,331 new fully paid ordinary shares at a deemed issue price of \$0.015 per share following approval of shareholders at the Annual General Meeting held on 27 November 2014.

**Cash Flows:** Operating activities resulted in net outflow of \$187,083 (2013: outflow \$355,874) as the Group is still in the exploration phase with no sales revenue. A total of \$560,042 (2013: \$3,029,586) was paid for investment mainly in exploration and plant and equipment. These outflows were funded from existing cash on hand and borrowings from Directors.

## **STRATEGY AND PROSPECTS FOR FUTURE**

The Group proposes to continue its oil and gas exploration program and investment activities in Cebu, Philippines and Aquitaine Basin in France. However, no indication as to likely results in the future can be given due to the uncertainties usually associated with exploration activities. Future financial performance will be driven by success in the following:

- Appraisal and development of the Malolos Oil Field within SC 44 that has been assessed to have best estimate "Contingent Resource" of 20.4 million barrels of oil;
- Exploration of newly identified prospective leads within SC 44 that have been assessed to have best estimate "Unrisked Prospective Resource" of 104 million barrels of oil;
- Acquisition of new seismic data; locating and drilling a target within St Griede in France ; and
- Grant of 3 new permits in Aquitaine Basin in France and carrying out exploration in the longer term to develop those permits.

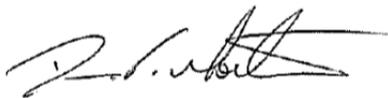
To carry out those above activities the Company will require funding which may be by farm-out of interests that may include upfront cash payments or equity issues or a combination of both. The method of funding will be determined at the appropriate time as part of the Group's capital management in maintaining a capital structure that minimises the cost of capital and benefits all shareholders.

**GOING CONCERN – EMPHASIS OF MATTER**

At 31 December 2014, the Group had committed expenditure of \$117,509 under its exploration licences for the next 12 months, and had \$4,851,427 in Directors' loans that fall due for repayment on 1 October 2016. The Group is also in a net current liability position of \$527,927 at 31 December 2014.

Although the Group is still planning to undertake exploration and appraisal activities on its various tenements, it has currently only budgeted for those amounts that satisfy the committed exploration expenditure and that the financial position of the Group allows. Consistent with the nature of the Group's activities, its ongoing investment of funds into exploration projects, will only be possible as and when sufficient funds are available to the Group.

As a result of these matters, there is 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. The auditor's review conclusion for the half-year ended 31 December 2014 therefore includes an emphasis of matter in this regard. For further details please refer to Note 1 of the Financial Statements.



Dennis J. Morton  
Managing Director

Sydney  
6<sup>th</sup> March 2015



## Auditor's Independence Declaration

As lead auditor for the review of Gas2Grid Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gas2Grid Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Richardson', is written over a light blue horizontal line.

Justine Richardson  
Partner  
PricewaterhouseCoopers

Sydney  
6 March 2015

**Gas2Grid Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
for the half-year ended 31 December 2014

	<b>Half-year</b>	
	<b>2014</b>	2013
	<b>\$</b>	\$
<b>Revenue from continuing operations</b>	28,697	9,508
Other income	21,733	-
Exploration expenditure and rights written-off	(3,810,068)	(46,716)
Administration expense	(118,840)	(128,835)
Auditor's remuneration	(20,000)	(22,100)
Employee benefits expense	(102,828)	(103,225)
Finance costs	(200,387)	(175,035)
Foreign exchange losses	(10,341)	(54,595)
Depreciation and amortisation expense	(19,345)	(19,370)
Insurance costs	(17,134)	(17,226)
Listing and registry fees	(36,639)	(38,700)
Rental expenses	(62,925)	(45,870)
Share based payments	(99,000)	(241,853)
Other expenses	(31,282)	(44,673)
<b>Loss before income tax</b>	<b>(4,478,359)</b>	(928,690)
Income tax expense	-	-
<b>Loss from continuing operations</b>	<b>(4,478,359)</b>	(928,690)
<b>Other comprehensive income</b>	-	-
<b>Other comprehensive income for the half-year, net of tax</b>	-	-
<b>Total comprehensive income for the half-year</b>	<b>(4,478,359)</b>	(928,690)
Loss for the half-year attributable to the owners of Gas2Grid Limited	<b>(4,478,359)</b>	(928,690)
Total comprehensive loss for the half-year attributable to owners of Gas2Grid Limited	<b>(4,478,359)</b>	(928,690)
	<b>Cents</b>	Cents
<b>Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:</b>		
Basic and diluted loss per share	<b>(0.59)</b>	(0.13)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Gas2Grid Limited**  
**Consolidated statement of financial position**  
as at 31 December 2014

	<b>31 DECEMBER</b>	<b>30 JUNE</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	259,635	304,290
Trade and other receivables	18,215	44,632
Other financial assets	65,260	65,260
<b>Total current assets</b>	<b>343,110</b>	<b>414,182</b>
<b>Non-current assets</b>		
Property, plant and equipment	49,885	70,614
Exploration expenditure and rights	13,191,884	16,851,015
<b>Total non-current assets</b>	<b>13,241,769</b>	<b>16,921,629</b>
<b>Total assets</b>	<b>13,584,879</b>	<b>17,335,811</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	398,032	850,006
Provisions	122,895	237,917
<b>Total current liabilities</b>	<b>520,927</b>	<b>1,087,923</b>
<b>Non-current liabilities</b>		
Borrowings	4,851,427	3,952,310
Provisions	77,550	82,863
<b>Total non-current liabilities</b>	<b>4,928,977</b>	<b>4,035,173</b>
<b>Total liabilities</b>	<b>5,449,904</b>	<b>5,123,096</b>
<b>Net assets</b>	<b>8,134,975</b>	<b>12,212,715</b>
<b>EQUITY</b>		
Contributed equity	31,272,144	30,970,525
Reserves	149,250	50,250
Accumulated losses	(23,286,419)	(18,808,060)
<b>Total equity</b>	<b>8,134,975</b>	<b>12,212,715</b>

*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 half-year ended 31 December 2014

	<b>Contributed Equity</b>	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 1 July 2013</b>	29,128,813	(16,869,813)	(191,603)	12,067,397
<b><i>Total comprehensive loss for the half-year</i></b>	-	(928,690)	-	(928,690)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	1,841,712	-	-	1,841,712
Employee Incentive Plan	-	-	241,853	241,853
<b>As at 31 December 2013</b>	<b>30,970,525</b>	<b>(17,798,503)</b>	<b>50,250</b>	<b>13,222,272</b>
<b>As at 1 July 2014</b>	<b>30,970,525</b>	<b>(18,808,060)</b>	<b>50,250</b>	<b>12,212,715</b>
<b><i>Total comprehensive loss for the half-year</i></b>	-	<b>(4,478,359)</b>	-	<b>(4,478,359)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	<b>301,619</b>	-	-	<b>301,619</b>
Employee Incentive Plan	-	-	<b>99,000</b>	<b>99,000</b>
<b>As at 31 December 2014</b>	<b>31,272,144</b>	<b>(23,286,419)</b>	<b>149,250</b>	<b>8,134,975</b>

*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 half-year ended 31 December 2014

	<b>Half-year</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Interest received	1,405	1,607
Other revenue	27,296	59,290
Payments to suppliers and employees (inclusive of goods and services tax)	(215,784)	(416,771)
<b>Net cash outflow from operating activities</b>	<b>(187,083)</b>	<b>(355,874)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration expenditure	(560,042)	(2,960,172)
Payments for plant and equipment	-	(69,414)
Refund of security deposits	2,721	-
<b>Net cash outflow from investing activities</b>	<b>(557,321)</b>	<b>(3,029,586)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	1,822,400
Transaction costs on issue of shares	(2,648)	(348,724)
Proceeds from borrowings	701,612	1,243,023
Financing costs	(2,500)	(1,493)
<b>Net cash inflow from financing activities</b>	<b>696,464</b>	<b>2,715,206</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(47,940)</b>	<b>(670,254)</b>
Cash and cash equivalents at the beginning of the half-year	304,290	1,705,565
Effects of exchange rate changes on cash and cash equivalents	3,285	9,277
<b>Cash and cash equivalents at the end of the half-year</b>	<b>259,635</b>	<b>1,044,588</b>

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

## 1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Gas2Grid Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The carrying value of trade receivables and payables is assumed to approximate to fair value, due to their short-term nature.

New and revised Standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- Limited amendment of impairment disclosures (AASB 2013-3)
- Annual improvements project – 2010-12 cycle (AASB 2014-1 Part A) AASB 8 Operating segments

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the Group's presentation of its half year financial statements. There are no upcoming new or revised Standards and Interpretations which are expected to have a material impact on the Group.

## 2. Going concern

In November 2014, the loan facilities from related entities of Directors (D Morton, D Munns and P Sam Yue) were increased from \$5.55 million at 30 June 2014 to a total of \$5.8 million to enable the Company to continue its planned exploration activities.

At 31 December 2014, the Group had net current liabilities of \$117,817, had \$4,851,427 in Directors' loans that fall due for repayment on 1 October 2016, and had \$117,509 exploration expenditure commitment for the year ending 31 December 2015.

The Group incurred a loss of \$4,478,359 for the half year ended 31 December 2014 including a non-cash impairment of exploration expenditure and rights of \$3,810,068.

Although the Group is still planning to undertake exploration activities on its various tenements, it has currently only budgeted for those amounts that satisfy the minimum expenditure and the financial position of the Group allows. Consistent with the nature of the Group's activities, its ongoing investment of funds into further exploration projects, will only be possible as and when sufficient funds are available to the Group.

The continuing ability of the Group to continue as a going concern and to meet its exploration commitments and repay Directors' loans is dependent upon one, or a combination of, the following options that are being pursued by the Directors:

**Gas2Grid Limited**  
**Notes to the financial statements**  
For the half-year ended 31 December 2014  
**(continued)**

- Management's preferred option of selling part of the Company's interests in its exploration licences and entering into joint ventures for the potential development of the projects.
- Undertaking further capital raisings.
- Selling of two drilling rigs and other field equipment.

If required, management will also negotiate to extend the maturity terms of the loan facilities beyond the current maturity date in October 2016.

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.

The Directors believe the Group has sufficient funds to settle its debts as and when they become due and payable.

On that basis the Directors have prepared the financial report on a going concern basis. 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 31 December 2014. 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 Company not continue as a going concern.

### 3. Non-current Borrowings

	<b>31 December 2014</b>	30 June 2014
	<b>\$</b>	<b>\$</b>
Loans from Directors' related entities	<b>4,851,427</b>	3,952,310

During the half-year, the Company drew down an additional \$899,117 under the Directors' loan facilities.

On 16 February 2015, the expiry date of the loan facilities of \$5,800,000 made available by the Directors' related entities was extended from 1 October 2015 to 1 October 2016.

### 4. Segment information

The Group operates as an exploration company performing exploratory drilling of wells, seismic and aerogravity surveys, geological and geophysical studies in the Philippines and France. The Group manages these activities from its head office in Sydney, Australia and a branch office in Manila, Philippines.

	Revenue		Segment Results		Segment Assets		Segment Liabilities	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Australia	<b>50,430</b>	9,508	<b>(667,820)</b>	(946,353)	<b>386,751</b>	5,159,830	<b>5,148,370</b>	4,025,705
France	-	-	<b>(2,438,351)</b>	17,663	-	2,360,152	<b>26,149</b>	58,329
Philippines	-	-	<b>(1,372,188)</b>	-	<b>13,198,128</b>	10,380,411	<b>275,385</b>	594,087
Consolidated	<b>50,430</b>	9,508	<b>(4,478,359)</b>	(928,690)	<b>13,584,879</b>	17,900,393	<b>5,449,904</b>	4,678,121

## 5. Dividends

No dividends were provided for or paid during the half-year

## 6. Equity securities issued

	2014 Shares	2013 Shares	2014 \$	2013 \$
<b>Issues of ordinary shares during the half-year</b>				
For payment of Directors' fees and management services*	<b>21,733,331</b>	13,443,181	<b>304,268</b>	295,750
Under Employee Incentive Plan "EIP"	<b>9,000,000</b>	13,750,000	-	-
Under private placement	-	82,836,364	-	1,822,400
Transaction Costs	-	-	<b>(2,648)</b>	(276,438)
	<b>30,733,331</b>	110,029,545	<b>301,620</b>	1,841,712

\*The shares issued were for payment of Directors' fees and management services amounting to \$326,000 following approval of shareholders at the Annual General Meeting held on 27 November 2014.

## 7. Contingent Liabilities

The Group did not have any contingent liabilities as at 31 December 2014.

## 8. Commitments for Expenditure

### Exploration Expenditure Commitments

In order to maintain current rights to tenure to exploration tenements, the Company has the following exploration expenditure commitments up until expiry of the leases, including commitments proposed for renewal of the St Griede licence. These obligations, which may be farmed out and are subject to renegotiation, are not provided for in the financial statements and are payable:

	31 December 2014 \$	30 June 2014 \$
Not later than one year	<b>117,509</b>	-
Later than one year but not later than 5 years	<b>2,846,764</b>	1,630,903
	<b>2,964,273</b>	1,630,903

### Operating Lease Commitments

Minimum payment, including agreed annual increases, under non-cancellable operating lease according to the time expected to elapse to the expected date of payment:

	31 December 2014 \$	30 June 2014 \$
Not later than one year	<b>128,169</b>	125,966
Later than one year but not later than 5 years	<b>79,852</b>	144,860
	<b>208,021</b>	270,826

**9. Events occurring after the balance sheet date**

There are no other matters which have arisen since 31 December 2014 which 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 periods other than the approval of the Directors related loan facilities on 16 February 2015, which is due for maturity at 1 October 2016.

**Gas2Grid Limited**  
**Directors Declaration**  
For the half-year ended 31 December 2014

In the Directors' opinion:

- (a) The interim financial statements and notes set out on pages 9 to 16 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 31 December 2014 and of its performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Gas2Grid Limited will be able to pay its debts as and when they become due and payable.

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



Dennis J. Morton  
Director

Sydney  
Date: 6<sup>th</sup> March 2015



## **Independent auditor's review report to the members of Gas2Grid Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Gas2Grid Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Gas2Grid Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gas2Grid Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gas2Grid Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Material Uncertainty Regarding Continuation as Going Concern*

Without qualifying our conclusion, we draw attention to Note 2 to the Half Year report, which comments on the ongoing funding requirements of the consolidated entity. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore 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.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Justine Richardson*

Justine Richardson  
Partner

Sydney  
6 March 2015