



17<sup>th</sup> June, 2019

**ASX Announcement**

**SERVICE CONTRACT 44 – Time Extension under Force Majeure Denied**

Gas2Grid Limited (ASX: GGX) (**Company**) advises that the that the Philippine Department of Energy (DOE), in a letter dated the 17<sup>th</sup> May, 2019 but not delivered to the Company until the 14<sup>th</sup> June, 2019, has denied our 10<sup>th</sup> May written request to delay until the end of July, under Force Majeure, commencement of drilling operations on the Nuevo Malolos-1 Deepening.

The DOE also advised the Company to commence drilling operations in accord with the conditions of the two year extension which includes drilling Nuevo Malolos-1 Deepening by the 3<sup>rd</sup> July, 2019. Failure to comply risks termination of the Service Contract.

Gas2Grid Limited will challenge the basis of the DOE decision and the timing of receipt of the formal response.

Philippine Federal and Municipal elections took place on 13<sup>th</sup> May 2019 with results announced on the 23<sup>rd</sup> May. Historically, election time in the Philippines is associated with excitement among rival parties which can sometimes generate unwanted incidents at some locations. Al Jazeera News reported 33 election related deaths and 19 others wounded in election related events.

The Company engages three expatriate drilling engineers to manage the drilling rig and drilling operations. These three expatriate drilling engineers advised the company that they would not attend site during the election period. In addition, local drilling crew advised their preference to wait until after the election before determining timing to commence site operations. The Company therefore had no choice but to defer commencing site work until the end of July, 2019 and formally request the DOE grant deferral of the start date under Force Majeure, provided for under Service Contract 44 (SC 44).

The Company met with DOE representatives to discuss the matter before lodging the formal request. Our Company representative left the meeting with the DOE with no concerns about the deferral request which was considered to be under a normal course of business.

The current Pro Rata Entitlement Offer closing date was extended to reflect the extension request and associated delay in commencing drilling operations. The DOE notice not approving the extension to commence operations under Force Majeure will now impact on the proposed capital raising.

Shareholders will be informed of any Company developments during the period leading to the Closing Date.

**Dennis Morton**  
**Managing Director**  
**Gas2Grid Limited**

