

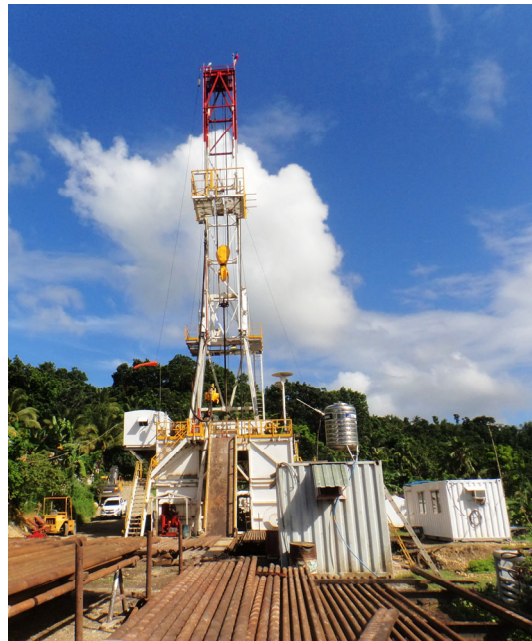
**MALOLOS OIL FIELD: NUEVO MALOLOS-1 DEEPENING - UPDATE**  
**SERVICE CONTRACT 44: ONSHORE NORTH CEBU, PHILIPPINES**

Gas2Grid Limited (“GGX”) advises that following the Rig-2 move onto the Nuevo Malolos-1 well in November the operations completed to date include re-entering the cased section of the well and drilling out the two cement plugs. A significant amount of gas had accumulated below the lower cement plug and the gas was circulated out of the hole.

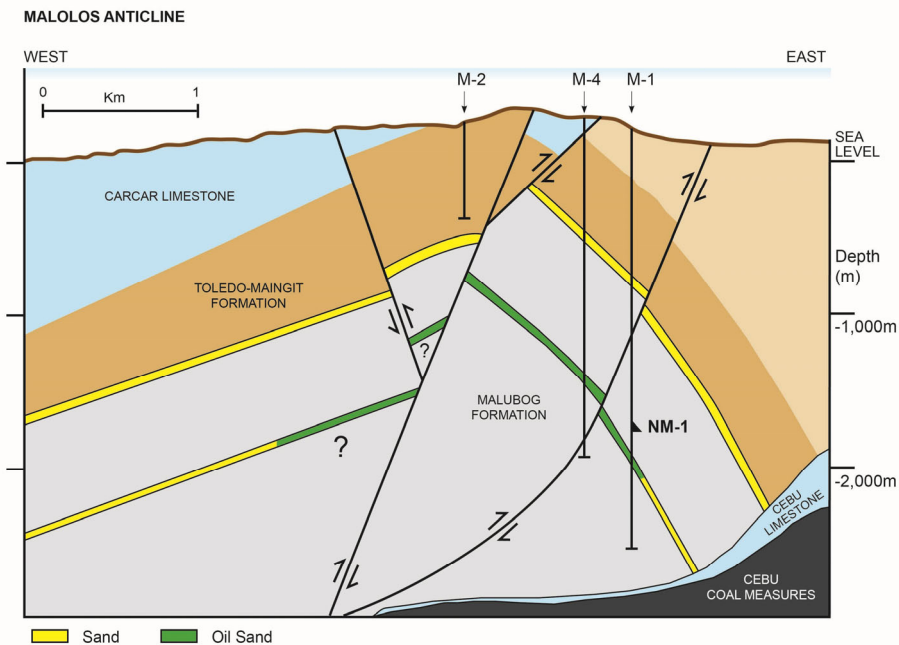
The well was cleaned out to a depth of 1,913.7 metres (6,287.5 feet) from ground level (GL) and the drilling assembly was being pulled out of the hole. The casing shoe is at 1,934.2 metres (6,345.7 feet) GL. A metal “pry” bar accidentally dropped in the hole before pulling the drilling assembly to surface. The pry bar has wedged against the drilling assembly while pulling it out of the hole with the drill bit at a depth of 837 metres (2,746 feet GL). The drilling assembly has become stuck at this depth. It comprises a drill bit, drill collars and 2 7/8” tubing.

Attempts to free the drilling assembly over the last few days have been unsuccessful. Lack of necessary oil field operations equipment and consumables within the Philippines has made remedial operations challenging.

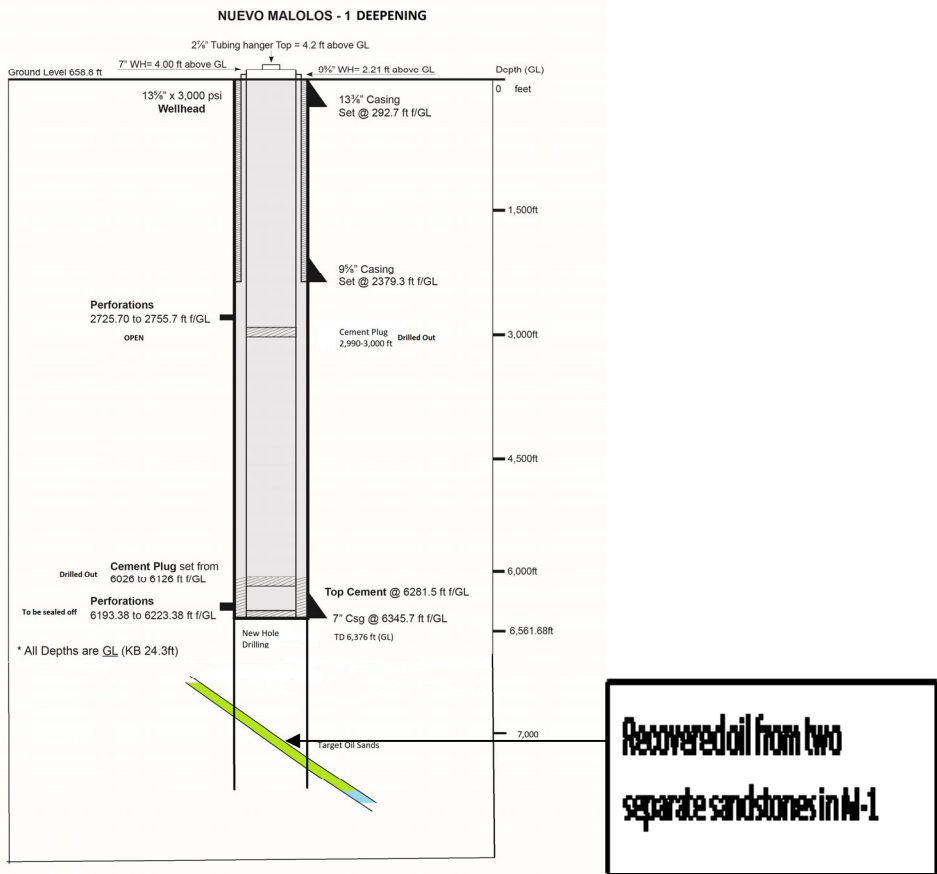
To be able to continue with drilling operations, the forward actions are to determine the program to further attempt to free the drilling assembly, source the required equipment which may need to be imported and assess the cost. In the meantime, the well will be suspended and the drill crew will go on leave over the Xmas/New Year holiday period and until the operations may restart. An announcement will be made when operations may recommence.



**Rig-2: Onsite Nuevo Malolos-1**



**Malolos Oil Field and Malolos Oil Field: Cross-Section**



**Nuevo Malolos-1 Deepening – Well Schematic**

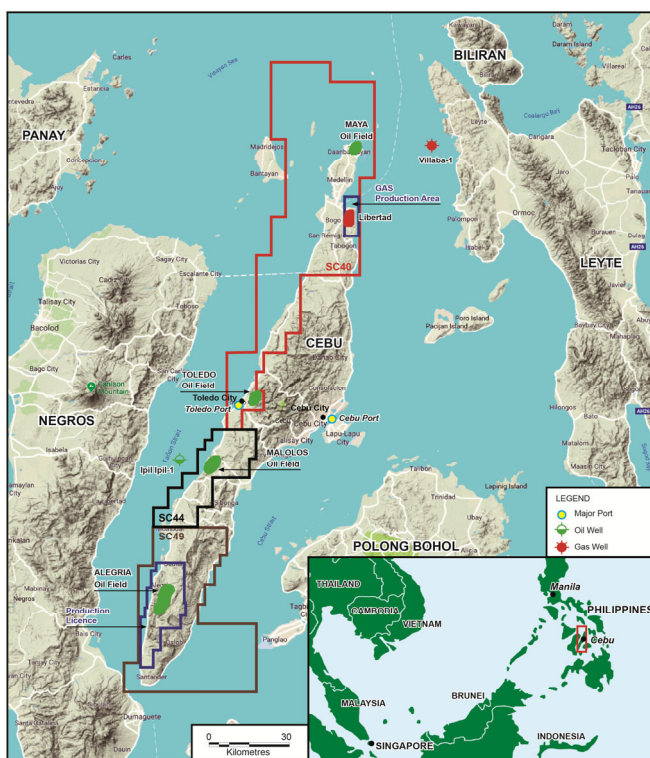
## Cebu – Emerging Oil and Gas Producing Area

Cebu is proving to be an emerging oil and gas producing region. The Libertad gas field, located in the northern part of SC 40, produced electricity for local sale under a 25 year production term. SC 49, located in the south of Cebu, has recently been awarded a 25 year production term in order to produce oil and gas from the Alegria oil and gas field.

The Alegria oil and gas field produces from a surface anticline containing the same mid-Miocene age sandstone reservoirs that produce oil and gas in the Malolos Oil Field in central Cebu (SC 44) and the Toledo and Maya Oil Fields in northern Cebu (SC 40).

The Malolos Oil Field (SC 44) represents an attractive investment opportunity with the current oil price. 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. A potentially low development and operating costs may generate healthy profit margin, particularly at the current higher oil price.

Cebu is ideally located to market oil and gas possessing good road/port infrastructure and a ready market for oil and gas. Oil can be exported for sale from the nearby Toledo (10km) or Cebu City ports.



Location Map – SC 44

Dennis Morton  
 Managing Director  
 Tel: 61 2 9241 1927

Patrick Sam Yue  
 Director/Company Secretary  
 Email: [office@gas2grid.com](mailto:office@gas2grid.com)

*The information in this release has been compiled by Dennis Morton, Managing Director of Gas2Grid Limited, who graduated with First Class Honours in Geology (Macquarie University) and has over 38 years’ experience in the oil and gas industry.*