



# COMPANY UPDATE

September, 2010

## DISCLAIMER

*This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*

*Investors should undertake their own analysis and obtain independent advice before investing in GGX shares.*

*All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.*

# Company Overview

## Strategy

- Clear focus on **conventional oil & gas** exploration and appraisal across known petroleum producing regions.
- Strategic review of existing portfolio has identified a **number of low risk targets** to deliver immediate value and increase shareholder returns.
- Farmout selected properties to fund exploration.
- Board and Management provides many years experience with **demonstrated success in oil and gas exploration** and development.
- Farmout, new venture and corporate opportunities continually being assessed.....*grow or die!*

## Financial Snapshot

Shares on Issue	235 m
Share Price	\$0.03
Market Capitalisation	\$7.0 million
Major Shareholders	Darren Reeder (14.9%)
	Dennis Morton (12.9%)
	David Munns (6.8%)

## Asset Portfolio

SC 44 (100%)	Onshore, Central Cebu Island, <b>Philippines</b>
St. Griede (50%)	Onshore, Aquitaine Basin, <b>France</b>
EP 453 (100%)	Onshore, Canning Basin, <b>Australia</b>



# Experienced Board & Management

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**Dennis Morton**

Managing Director

Founding Managing Director of Eastern Star Gas (ASX: ESG) from which he retired in late 2007. Dennis has 36 years experience in the conventional oil and gas industry with specialist expertise and success in the exploration and discovery of commercial oil and gas and coal seam gas in Australia and South East Asia.

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**David Munns**

Non-Executive Chairman

With a Bachelor of Mechanical Engineering David has wide experience in drilling and engineering operations in South-East Asia and particularly in the Philippines. He is Chairman of Desco, Philippines – a drilling and engineering firm operating in the field of conventional petroleum and geothermal drilling.

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**Patrick Sam-Yue**

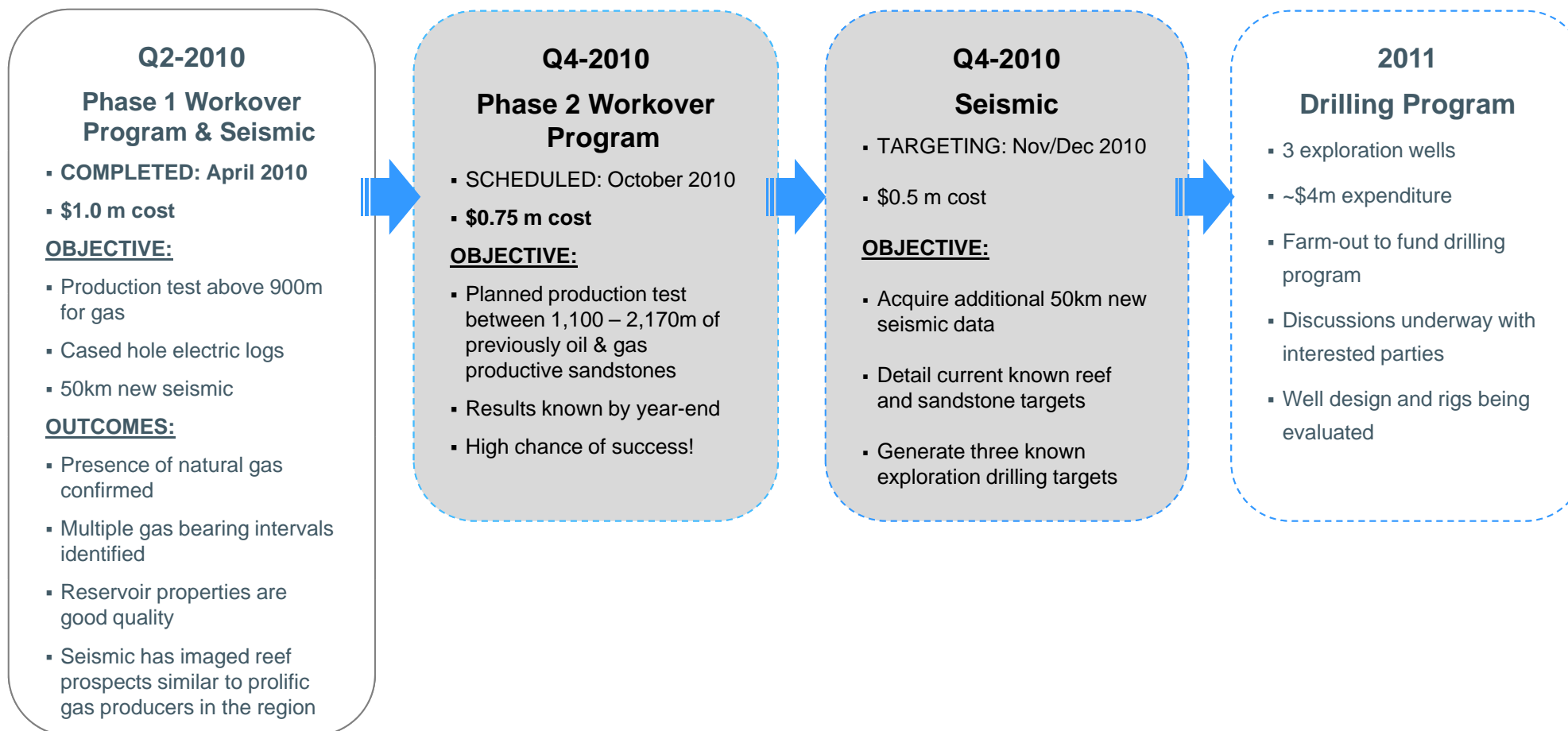
Non-Executive Director

Patrick is a member of the Institute of Chartered Accountants in Australia, England and Wales and a Fellow of the Financial Services Institute of Australasia. He has over 20 years experience in financial and corporate management in Australia having held senior executive and company secretary positions with ASX listed entities in the oil and gas and minerals industry.

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# Low risk program to provide immediate results

## Philippines SC44: Work Program (100% GGX)

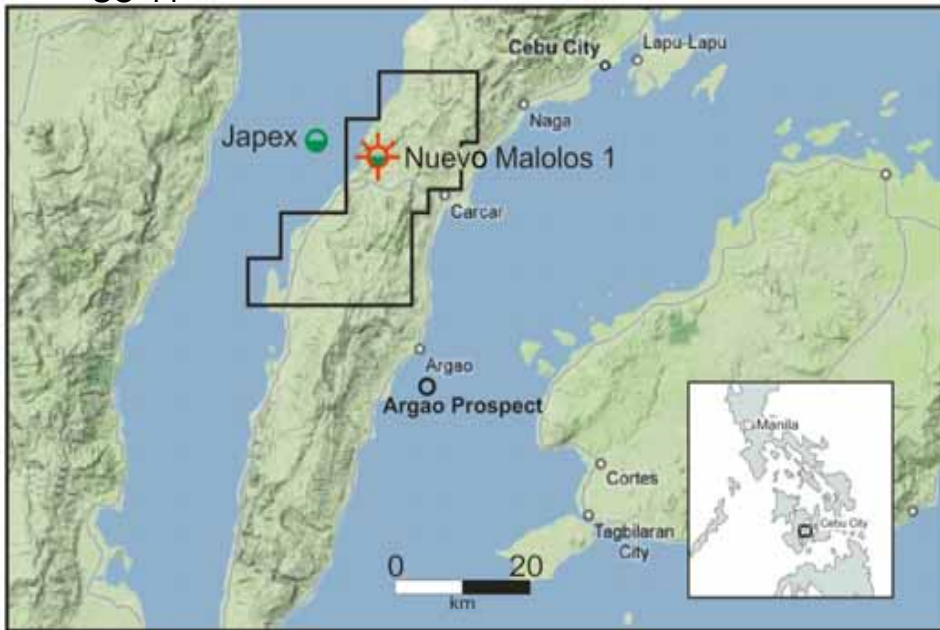


# PHILIPPINES

# Service Contract 44, Cebu Island

## Producing Petroleum Region

- Regional production of both oil and gas since 1970s
- Large oil and gas discoveries in Miocene age limestone reefs which is an exploration target in SC 44
- Oil and gas discoveries also in Miocene age, marine sandstones which is a target in SC 44
- Oil discoveries made immediately north and adjacent to SC 44



## Attractive Fiscal Regime

- Fiscal regime provides for one of the lowest government payment systems across Australasia
- No Petroleum Resource Rent Tax (PRRT) as a secondary tax on the project

## Service Contract Terms

- 70% Cost Recovery to Contractor
- Remaining 30% Split:
  - 60% DOE
  - 40% Contractor
- DOE Pays Contractors Income Tax

# Service Contract 44: History

<b>SC 44</b>	<ul style="list-style-type: none"> <li>Service Contract issued on 28th January, 2004 (100% to GGX) with a current area of 750 sq kms</li> <li>Required to drill a minimum 4,750 metres during the 7 year term</li> </ul>
<b>Commitment</b>	<p>Sub-Phase-1 (03-2006): G&amp;G (\$200,000) and drill 1 well (\$500,000)</p> <p>Sub-Phase 2 (03-2008): Drill 1 exploration well plus seismic (\$1,000,000)</p> <p>Sub-Phase 3 (03-2011): Drill 2 exploration wells (\$1,000,000)</p> <p><b>TOTAL: \$2.7 million</b></p>
<b>Completed</b>	<p>2006: Nuevo Malolos-1: drilled, cased and suspended (1,945 metres)</p> <p>2006: Malolos-1: re-entered and tested</p> <p>2006: Swab tested Nuevo Malolos-1 and Malolos-1</p> <p>2007: Geochem Study; Reservoir Study</p> <p>2010: Seismic Survey (50kms)</p> <p>2010: Malolos-1 – 2010 workover/cased hole logging</p> <p>25% relinquishment (750 sq kms)</p> <p><b>TOTAL: \$6.0 million</b></p>
<b>Outstanding Commitment</b>	<ul style="list-style-type: none"> <li>50 kms seismic acquisition</li> <li>Phase 2 well workover</li> <li>3 exploration wells (DOE extension required)</li> </ul>



# INVESTMENT HIGHLIGHTS



# Investment Highlights

## SC 44

100%

Philippines

- Near term test of already discovered oil and gas bearing sandstone intervals in Malolos-1
- Recent seismic has for the first time mapped Miocene age limestone reefs within SC 44 that are oil and gas productive elsewhere in the Philippines and make an exciting new exploration target
- Exploration drilling planned for the first half of 2011

## St. Griede

50%

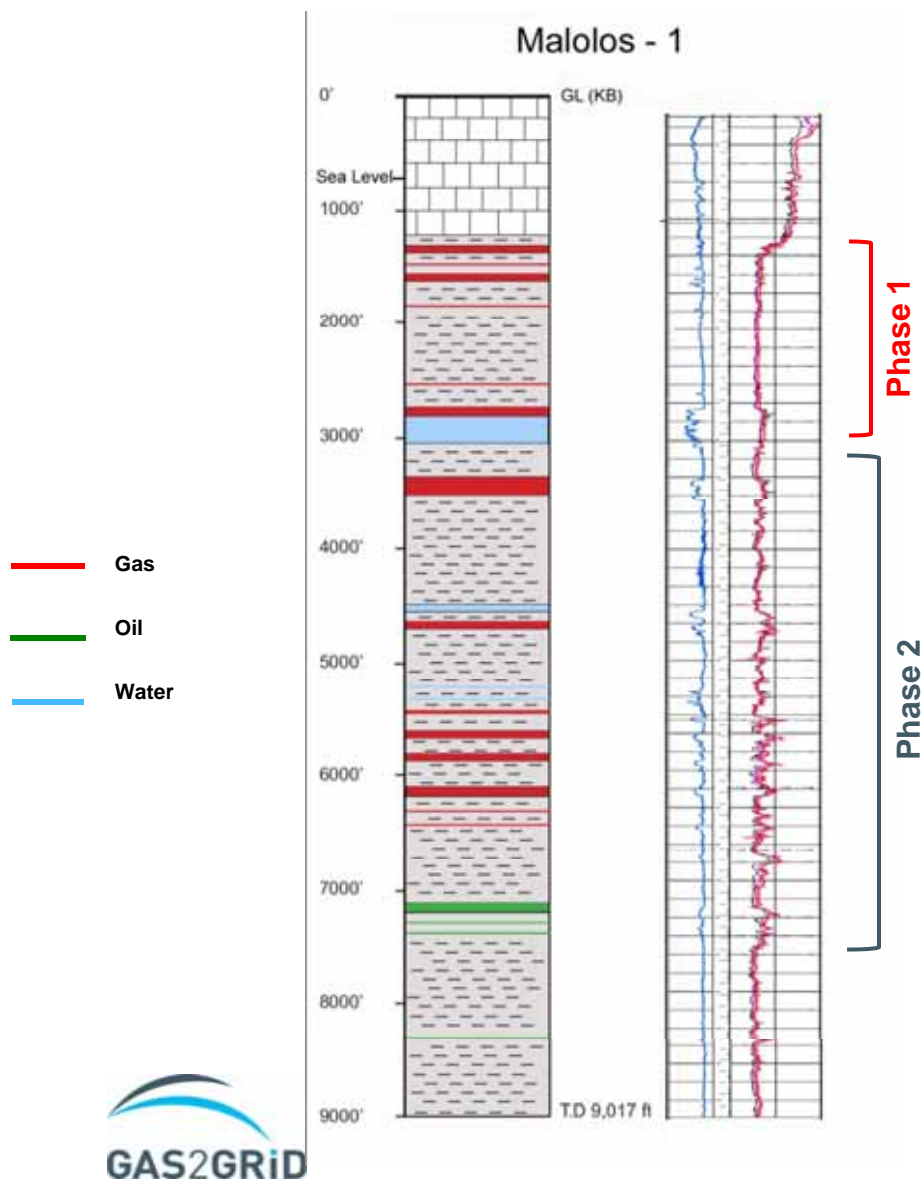
France

- Aim is to extend oil and gas production from nearby producing fields
- No drilling or seismic activity for the last 20 years provides a great opportunity
- Existing work has highlighted many attractive leads and prospects
- drilling planned for 2011/2012

## Corporate

- Farmout an interest in SC 44 to reduce funding requirement
- Expand interests in France
- Review corporate mergers and acquisition opportunities

# Malolos-1: Workover Program



## Phase 1 Workover Program Success

- Restricted to shallow area of the well <900m
- Natural gas confirmed along with quality reservoir, undamaged
- Multiple gas bearing intervals identified and gas and fluid samples taken for analysis
- Four separate sandstones (each 3 - 5 metres thick) over the gross interval 367.3 - 478.5 metres
- Additional 3 metre thick gas bearing sandstone over the interval 774.2 - 777.3 metres
- Gross 23 metre thick gas column (816.9 - 839.7 metres) overlying water.

## Phase 2 Workover Scheduled Q4 2010

- Deeper oil and gas sandstones to be tested between 1,100 – 2,170m
- Results known by year-end
- High chance of success!
- Convert gas into electricity for local sale
- Oil sales within 6 months of establishing production

## SC 44: Phase 1 Workover Site



# Malolos-1: Oil Tests

Oil has already been discovered and aim is to establish long term production rates

## DST#13 (7,169-7,202 feet)

- 6 1/8-inch rathole, 903 feet water cushion
- Tool opened for 120 minutes, strong steady blow for 80 minutes and weak steady blow for 40 minutes.
- **Recovered 30 feet 39° API oil**, 900 feet water (cushion) and 210 feet gas cut and oil cut mud
- Probable closed in pressure after one hour (clock malfunctioned): 1,100psi
- Calculated flowing Pressure: 492psi

## DST#14 (7,211-7,232 feet)

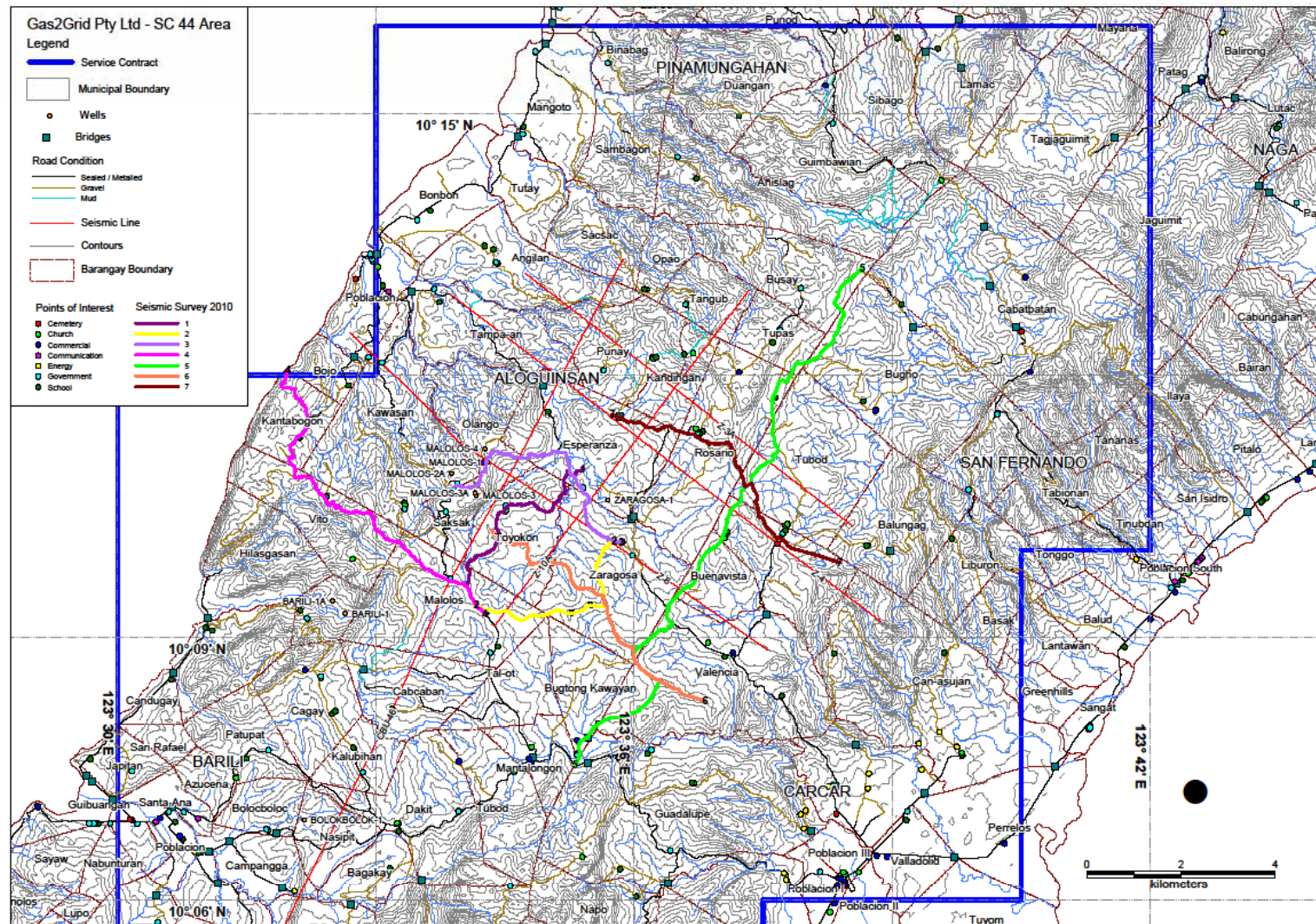
- 6 1/8 inch core hole, 503 feet water cushion
- Tool opened for 120 minutes, moderate blow for 5 minutes, strong blow for 115 minutes. GTS in 21 mins
- **Recovered 80 feet clean 39.5° API oil** above water cushion and 64 feet highly oil and gas cut mud
- Clock malfunction

## DST#15 (7,289-7,327 feet)

- 6 1/8 inch core hole, 500 feet water cushion.
- Tool opened for 120 minutes, strong to moderate blow, gas to surface in 19 minutes.
- **Recovered 60 feet clean waxy 38.4° API oil** above water cushion & 111 feet of heavily oil & gas cut mud below the water cushion.
- Flow pressure: 300psi.
- Closed in pressure after 55 minutes: 500psi

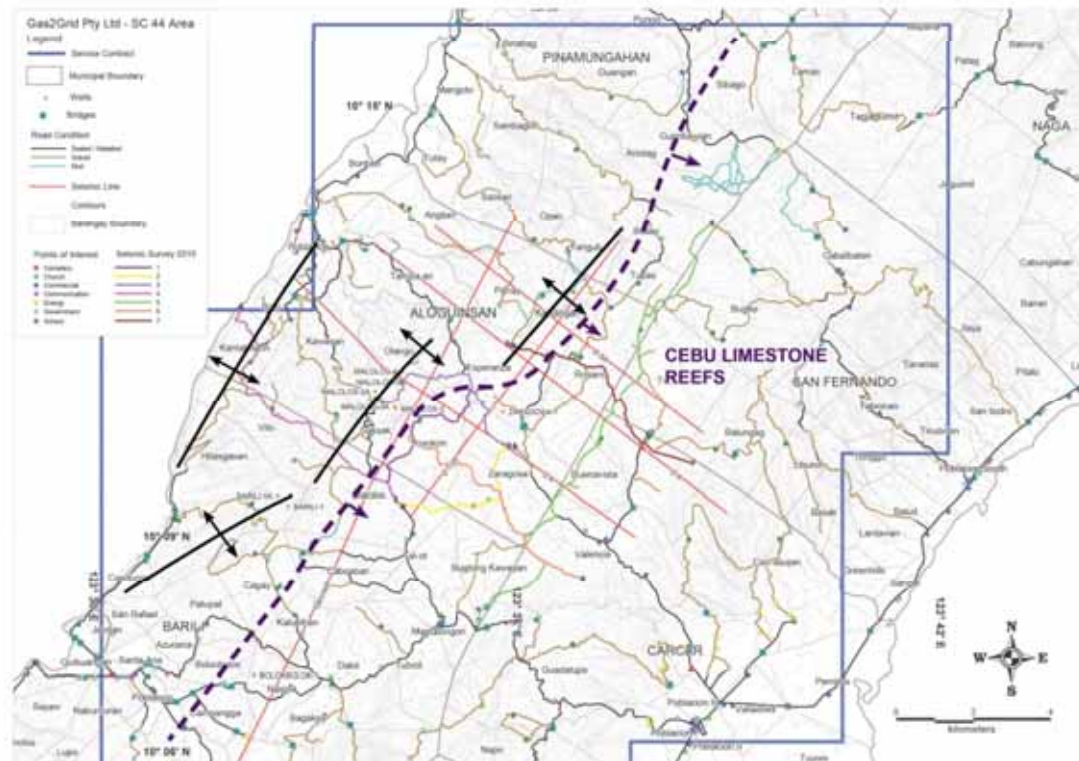


# SC 44: 2010 Seismic Program



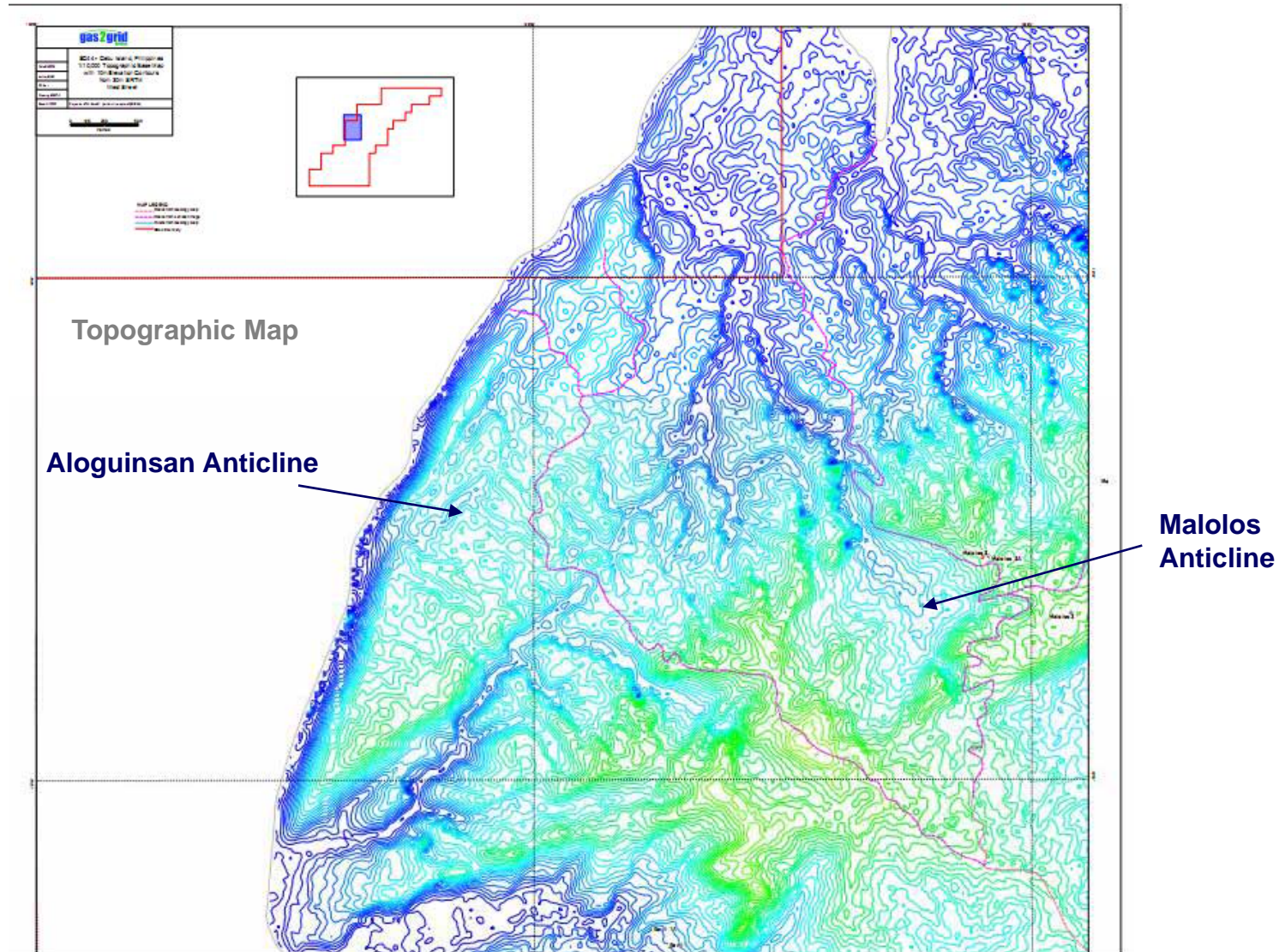
# SC44 – New Limestone Reefs Targets Detailed

- A number of new targets have been identified based on surface mapping
- Seismic data acquired in Q1 2010 detailed new carbonate reef targets and anticlines
- Second round of seismic required to map carbonate reefs and confirm three drill targets



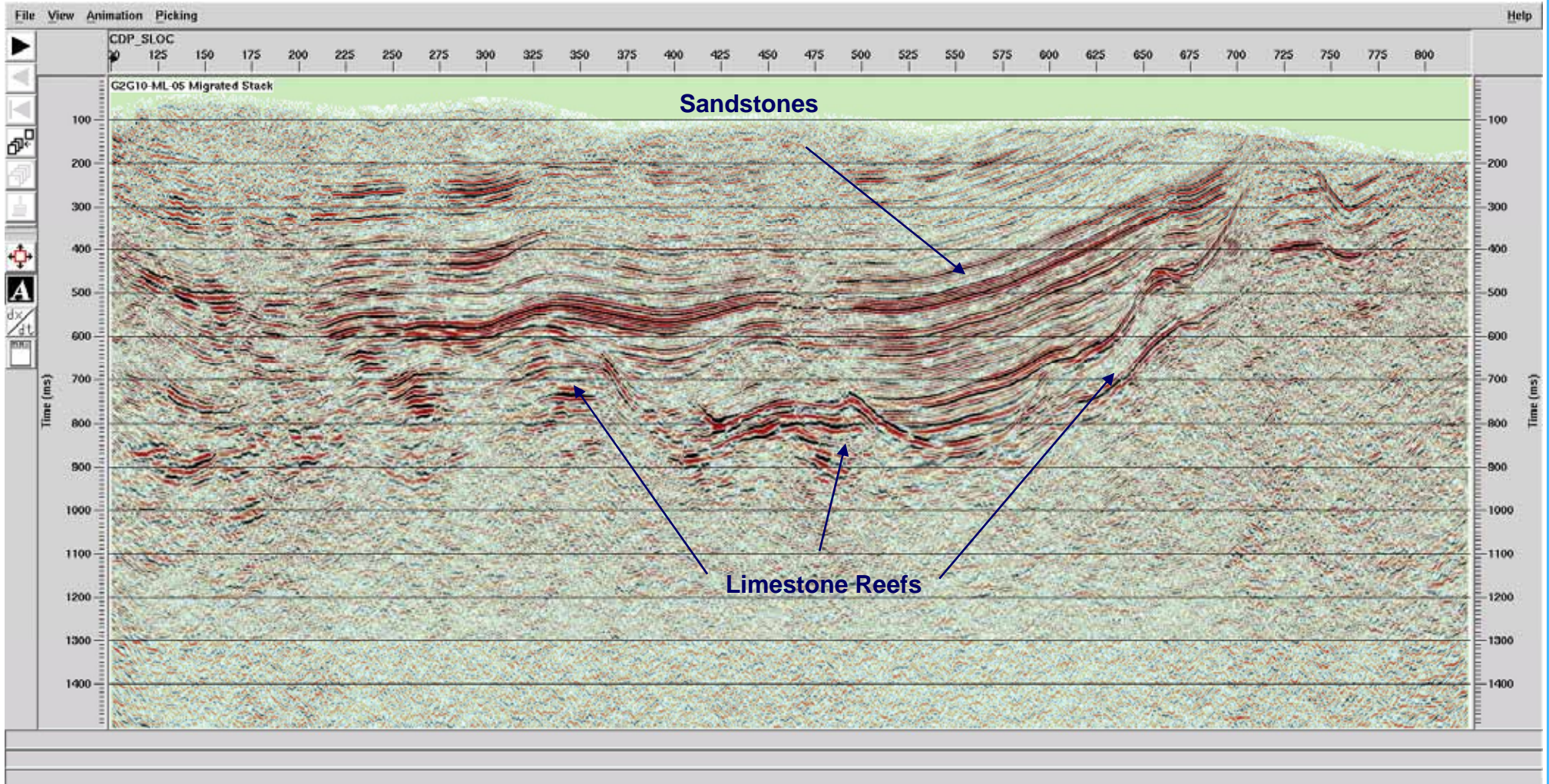


## SC 44: Aloguinsan and Malolos Surface Anticlines



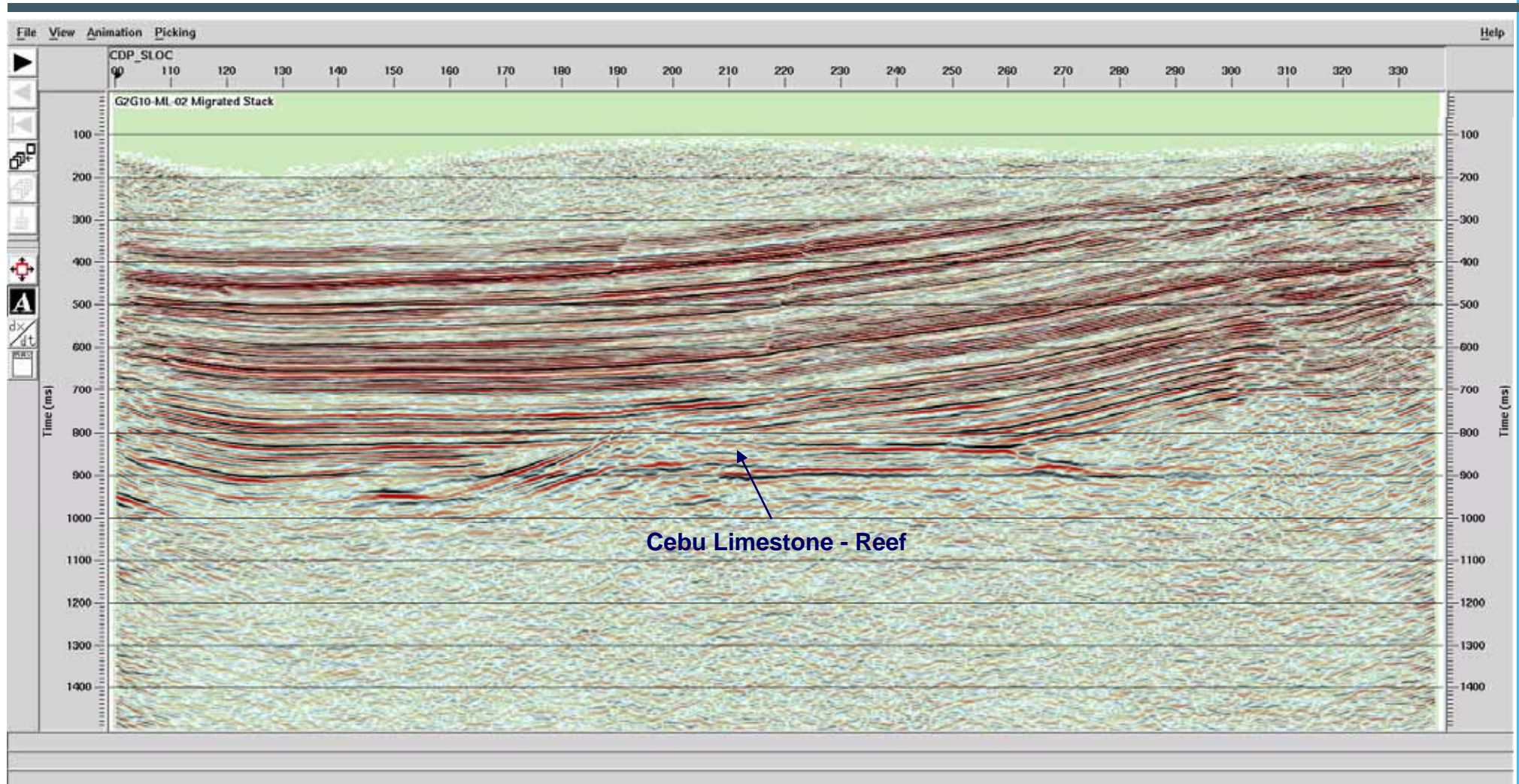


# SC 44: Structural and Limestone Reef Targets



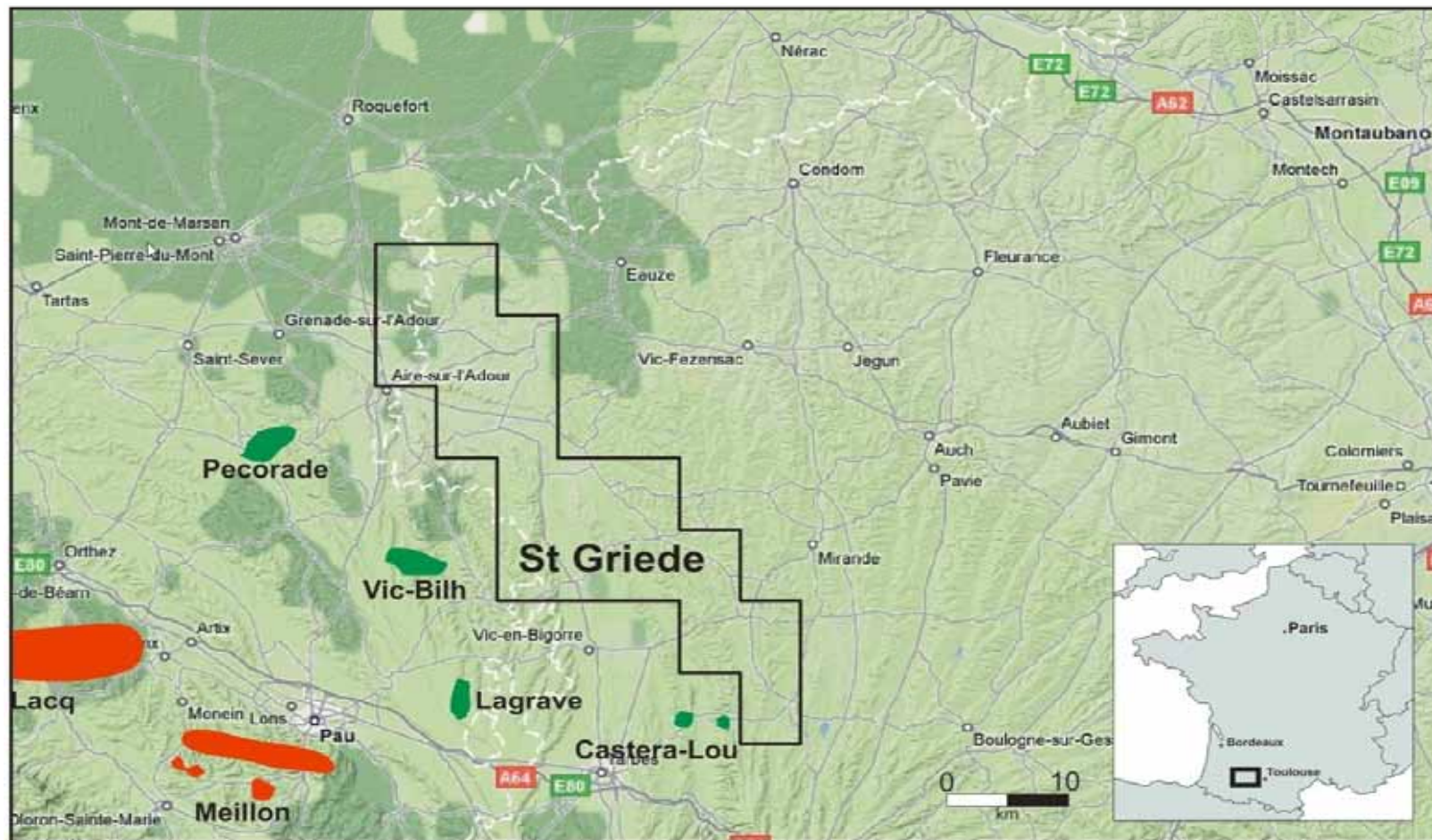


## SC 44: Structural and Limestone Reef Targets





# St. Griede Licence, Aquitaine Basin



# St. Griede – Licence History

<b>Issued:</b>	31 <sup>st</sup> May, 2008
<b>Area:</b>	1,238 sq km
<b>Holder:</b>	Gas2Grid Limited (50%) Flow Energy Limited (50%)
<b>Operator:</b>	Gas2Grid Limited
<b>Term:</b>	5 years
<b>Commitment:</b>	€361/km <sup>2</sup> /Year €446,918/year (G2G share €223,459/year)

## Indicative Work Program:

Year 1 (2008-09):	€635,500 (G&G Studies) <b>Completed</b>
Year 2 (2009-10):	€306,900 (Airborne Gravity Survey) <b>Completed</b>
Year 3 (2010-11):	€1,548,900 (400 km seismic)
Year 4 & 5 (2011-13):	€1,860,000 (2,500 m well)

## Fiscal Terms:

- Oil royalty system with royalty and taxes based on annual field production
- Royalty progresses from 0-12% from <50,000 to >300,000 metric tonnes
- Oil taxes: Communities €213/100t production; Department €271/t
- Gas royalties progress from 0-5% for <300mcf to > 300 mcf
- Gas taxes: Communities €61.7/mcf; Department €78/mcf

# St. Griede - Overview

## Overview

- Aquitaine Basin is a prolific hydrocarbon province with over 13 TCF of gas and 450 mmb of liquid hydrocarbons produced from the basin
- Markets and infrastructure are well developed for a commercial discovery
- Little activity in past decade as French majors went international
- Gas prices in Europe continue to trade at highs (~\$12/GJ) - roughly 3-4 times East Coast Australia
- **3rd-4th Quarter, 2009: Aero-gravity survey completed**
- **2<sup>nd</sup> Quarter, 2010: 800 kms seismic reprocessing completed**
- **2<sup>nd</sup>-3<sup>rd</sup> Quarter, 2011: Seismic data acquisition**
- **1<sup>st</sup> Quarter, 2012: Drill one exploration well**

### Neighbouring Oil & Gas Fields

Pecorade	21 mmb & 38 bcf gas
Vic Bilh	32 mmb & 40 bcf gas
Laggrave	24 mmb



# St. Griede - Prospects

Anticlines

