



**ACTIVITIES REPORT
QUARTER ENDED 30th SEPTEMBER 2020**

30th October, 2020

SUMMARY

Philippines

- Service Contract 44 (“SC 44”) operations remain suspended since March 2020 due to Covid-19 pandemic related sanctions imposed in the Philippines, Australia and other Asian countries. State of Calamity in Philippines due to Covid-19 extended by a year to September 2021.
- Response of Department of Energy (“DOE”) to the Company’s application for suspension of SC 44 contract obligations under Force Majeure is pending.
- The Technical Moratorium of SC 44 ended on 2 September 2020 but remains on foot while the suspension under Force Majeure is not resolved.

France

- Company’s claim of €34.35 million (approximately A\$57 million at current exchange rate) for compensation against the French Government lodged and registered earlier this year in the French Tribunal waiting on the Government to lodge their overdue defence statement.

New Ventures

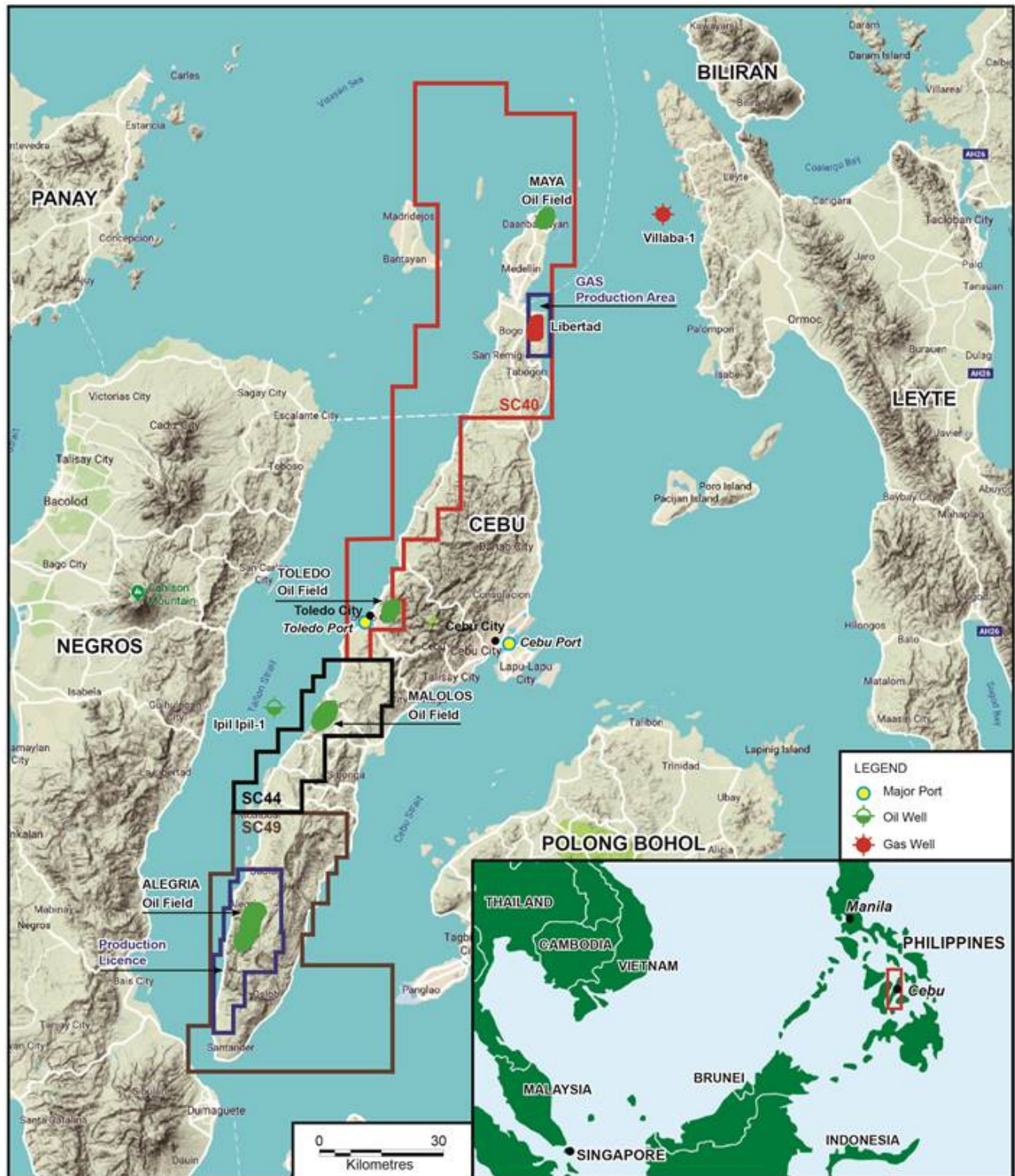
- The Company has commenced a search and review of Australian new venture opportunities.

PHILIPPINES

SERVICE CONTRACT 44 (100% working interest), Onshore Cebu

The Company commenced the drilling and deepening operation at Nuevo Malolos-1 in September, 2019 with operations suspended in March, 2020 under Force Majeure in response to Covid-19 pandemic related sanctions when State of Calamity was declared. That State of Calamity has been extended by a year to September 2021 which may mean a longer suspension period for operations.

The DOE’s response is still awaited on Force Majeure considerations that could allow the Company to recommence the NM-1 drilling operations when Covid-19 related sanctions are lifted. The Company looks forward to the Government’s support which has seen the need to fast track oil and gas exploration/development in the country under the recent Presidential Decree 87.



Petroleum Service Contracts and Production Licences, Cebu Island, Philippines

FRANCE

Legal Claim: ST. GRIEDE (100% working interest), Onshore Aquitaine Basin – Renewal Renounced

In early January 2020, the Company lodged and registered at the Pau Tribunal, France, a claim of €34.35 million (approximately A\$57 million at current exchange rate) for compensation against the French Government. This claim is in respect to the damages caused by the French Government in unlawfully refusing, as ruled by the French Courts, to renew the St Griede conventional hydrocarbon exploration permit in accordance with the prevailing mining law.

Whilst the current confinement measures in France as a result of the Covid-19 pandemic are expected to delay the court procedures the Company believes that it may receive a court decision on its court claim in the first half of 2021. The Government has not yet lodged their defence statement as requested by the Tribunal over six months ago.

While the Company believes it has a good chance of success, based on legal advice, the outcome and timing for determination of this claim are uncertain.

See the Activities Report of June 2020 Quarter lodged on 31 July 2020 for more information on the background of the claim.

NEW VENTURES

The Company has commenced a search for suitable Australian new ventures.

Competent Person

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

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Gas2Grid Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter ended ("current quarter")

30 SEPTEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3.months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(34)	(34)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	7	7
1.9 Net cash from / (used in) operating activities	(28)	(28)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(20)	(20)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3.months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(20)	(20)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other -Proceeds from sale of Treasury Stock	49	49
-Payments for lease liabilities	(23)	(23)
3.10 Net cash from / (used in) financing activities	26	26

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	311	311
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(28)	(28)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(20)	(20)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	26	26

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3.months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	289	289

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	47	78
5.2	Call deposits	242	233
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	289	311

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	8,700	5,100
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	8,700	5,100
7.5	Unused financing facilities available at quarter end		3,600
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The loan facilities are unsecured, bear interest at 9% per annum, mature on 6 April 2022 (extension can be renegotiated and early repayment at Company's election with no penalty) and are provided by related parties of the 3 Directors of the Company (D Morton \$5.25M, D Munns \$ 2M and P Sam Yue \$ 1.45M):		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(28)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(20)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(48)
8.4	Cash and cash equivalents at quarter end (item 4.6)	289
8.5	Unused finance facilities available at quarter end (item 7.5)	3,600
8.6	Total available funding (item 8.4 + item 8.5)	3,889
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	81.0
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A	
	8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A	

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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: Dennis Morton – Managing Director

Patrick Sam Yue – Director/Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.