



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

INTERIM REPORT
31 DECEMBER 2020

GAS2GRID Limited ABN 46 112 138 780

Interim Report – 31 December 2020

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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 2020 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

David A Munns - Chairman
Dennis J Morton - Managing Director
Patrick W V M Sam Yue - Executive Director

Home Stock Exchange

ASX Limited
Exchange Centre
20 Bridge St
Sydney NSW 2000

Company Secretary

Patrick W V M Sam Yue

ASX Code: GGX

Registered Office

Suite 22 Level 5
58 Pitt Street

Sydney NSW 2000

Telephone: 61 2 9241 1927

Email: office@gas2grid.com

Solicitors

Piper Alderman
Level 23, Governor Macquarie
Tower
1 Farrer Place
Sydney NSW 2000

Share Registry

Next Registries

Level 16

1 Market Street

Sydney NSW 2000

Telephone: 61 2 9251 1700

Facsimile: 61 2 9251 7138

Email: mail@nextregistries.com.au

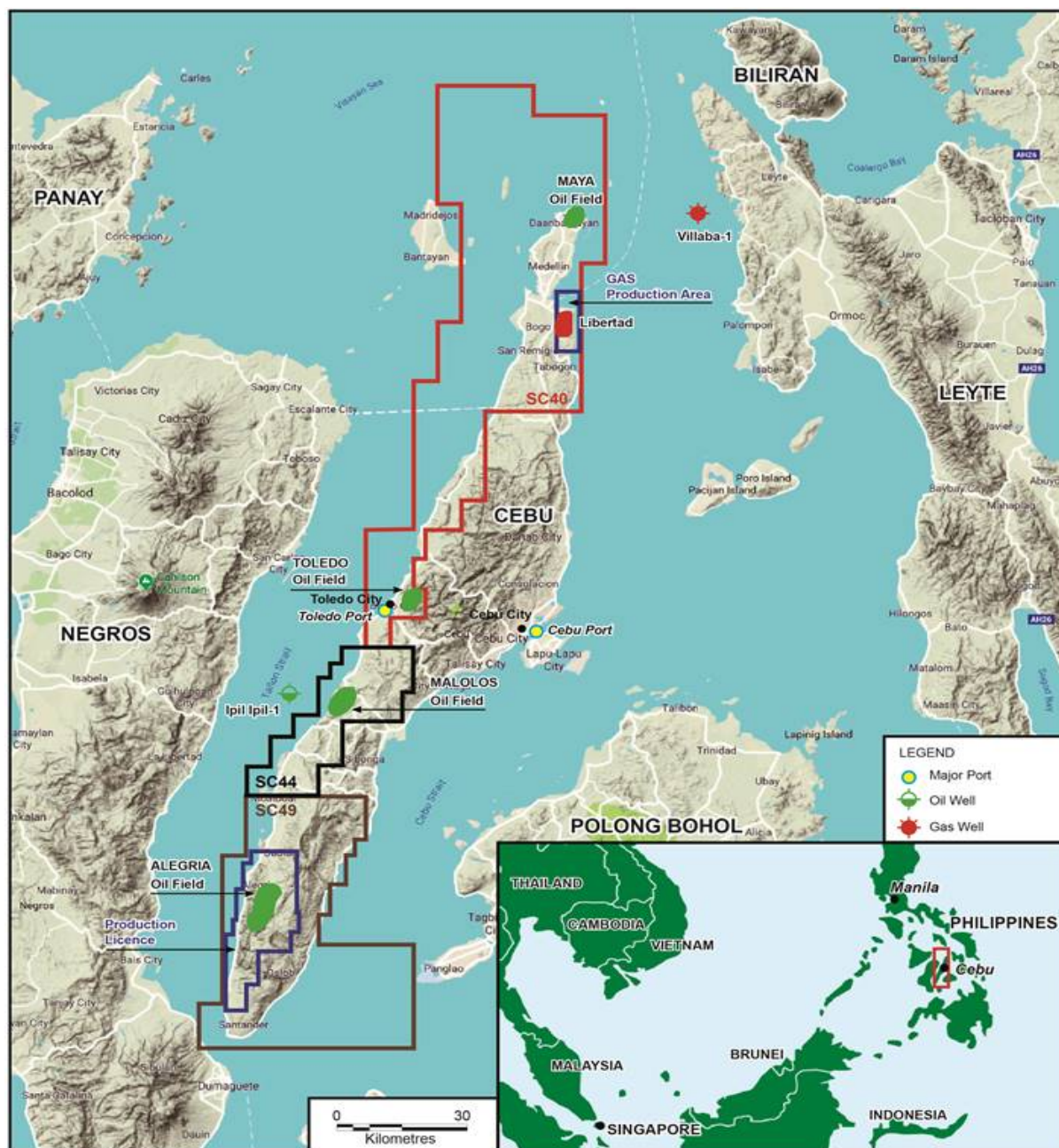
Auditors

Stantons International Audit
and Consulting Pty Ltd
Level 36, Gateway
1 Macquarie Place
Sydney NSW 2000

Website

www.gas2grid.com

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



Location of Service Contract 44 in Philippines

The extended Technical Moratorium of Service Contract 44 (“SC 44”) ended on 2 September 2020 with the *State of Calamity* in Philippines due to Covid-19 having been in force since March 2020. In March 2020, travel sanctions were imposed in the Philippines, Australia and several other Asian countries restricting access to site and drilling operations in Cebu. The Company had invoked the *Force Majeure* provision of SC 44 and requested an extension of time to complete the deepening and testing operations of Nuevo Malolos-1 which had been underway since September 2019. The Company has received legal advice that in the absence of a determination by the Department of Energy with respect to the Force Majeure claim the Company’s legal tenure of SC 44 remains current pursuant to Sec. 9 of Republic Act No. 9485 or the Anti-Red Tape Act of 2007.

On 22 September 2020, the Philippines Government extended the State of Calamity and Enhanced Community Quarantine by one year. The Company is not permitted to resume field operations and would also require the grant of a contract extension under the terms and conditions of SC 44.

Once drilling operations resume and if production testing is successful providing for the grant of a 25 year production licence, the Company's view is that at the current oil price of around US\$60 per barrel the Malolos Oil Field remains an attractive investment.

Onshore, Cebu is an emerging petroleum production region with the operator of SC 49 in the southern part of the island having been awarded a 25-year production licence. The SC 49 operator has discovered and has developed the Alegria oil field which produces oil and gas from the same sandstone reservoirs that are oil productive in SC 44. The Libertad gas field in SC 40, northern Cebu has also been granted a 25-year production licence.

FRANCE

Legal Claim: ST. GRIEDE, Onshore Aquitaine Basin – Renewal Renounced

The Company has been in legal dispute with the French Government since 2015 following its refusal to renew the St Griede permit, located within the Aquitaine Basin, south of France, in breach of the prevailing law as confirmed by the French Tribunal and Court.

A judgement by the Pau Tribunal in November 2016 was in favour of the Company for the renewal of the St Griede permit and after an appeal by the French Government the Appeal Court of Bordeaux decided in March 2019 also in favour of the Company.

Having regards to the actions and legal process over 6 years to avail of its legal rights to renew the St Griede permit and the barriers raised by the French Government with the introduction of new laws together with the capital market's perception of the significant sovereign risk in France for oil and gas explorers, the Company decided in April 2019 not to pursue further the renewal of the permit, which is likely to be resisted primarily driven by political interests in France.

In July 2019, the Company, based on legal advice, lodged a €34.35 million financial claim on the French Government for the unlawful non-renewal of the St. Griede permit for which there was no response.

In January 2020, the Company lodged and registered at the Pau Tribunal, a claim of €34.35 million 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.

In November 2020, the Tribunal allowed until the 2 January 2021 for the French Government to submit their defence to the claim. The French Government did not meet that deadline. The Tribunal then decided to set the "*clôture de l'instruction*" (closing for instruction to the Tribunal) on 15 February 2021 at 12:00 and the French Government eventually lodged their defence on this last day.

The Company awaits on the court process for a decision. While the Company believes it has a good chance of success, based on legal advice, the timing for the decision and the outcome are uncertain.

In mid-February 2021 the Company became aware of a decision handed down by the Court of Appeal of Bordeaux on 15 December 2020 following a hearing held on 17 November 2020 (not notified to the Company), in appeal proceedings that the French Government would have exercised on 10 September, 2018 and to which the Company may not have been able to defend itself in front of the French judge. The decision annulled the Pau Tribunal judgement of 5 July 2018 that imposed penalties of €383,500 on the Government in respect of delays to grant a 5 year extension to the St Griede permit commencing from 3 November 2016 as decided by the Pau Tribunal in November 2016. The penalties were spontaneously paid to the Company in August 2018 then the French Government lodged an appeal in September 2018.

The Company's lawyers in France are seeking resolutions from the Court, including likely referral to the Conseil d'Etat of France (i.e. High Court).

Background

The St Griede permit, in which the Company had 100% interest, is located within the Aquitaine Basin, France. The permit was due for its first renewal in May 2013 after an initial 5 year term.

With the terms and conditions of the work and expenditure commitments having been met for the first 5 year term, a renewal application for a second 5 year term was submitted in January 2013 in order to continue the work program towards the drilling of a well. Normally, a first renewal is expected as a matter of course, if the initial commitments have been met.

In September 2015, the French Government unlawfully, as confirmed by the courts, decided not to grant the renewal.

Following an action initiated in the Pau Tribunal in November 2015, a judgement was handed down in early November 2016 fully supporting the Company by annulling the September 2015 decision of the French Ministers refusing to grant renewal of the St Griede permit.

The Tribunal also instructed the Ministers to grant, within 30 days, a 5 year extension to the St Griede permit commencing from 3 November 2016. The Tribunal also ruled for a financial penalty on the French Government of €3,000 for each day after 3 December 2016 that the grant of the permit extension is delayed. Subsequently, the Tribunal imposed on the French Government penalties and costs totalling €414,400 (approximately A\$626,550) that were paid to the Company in 2018.

On 3 January 2017, the French Government lodged an appeal with the Appeal Court of Bordeaux against the November 2016 decision of the Tribunal.

While the appeal was on foot, on 23 December 2017 the French Government issued a decree extending the St. Griede licence up until 31 May 2018. This extension was not in accordance with the November 2016 court directions and it provided the Company with only 5 months in which to complete a 5 year work program that was proposed on the application for renewal of the permit in 2013.

The Appeal Court of Bordeaux handed down its decision on 5 March 2019 as follows:

- Annulment of the section of the judgment of November 2016 handed down by the Tribunal whereby the Ministers were directed to grant an extension of the St Griede permit for 5 years from the date of that judgement.
- The Ministers are urged to reconsider the request for an extension of the St Griede permit for a second 5 year period and to make a new decision within 2 months of the judgment of the Appeal Court.
- A penalty of €1,000 per day of delay for non-compliance by the Ministers to the period fixed by the present judgement.
- The Government to pay €2,000 to Gas2Grid Limited for costs.

The unlawful resistance during 6 years of the French Ministers to renew the St Griede permit, the introduction of new laws that will shut down the petroleum exploration and production industry in France by 2040 and the capital market's perception of the significant sovereign risk created in France for oil and gas explorers compelled the Company to renounce its rights for the renewal of the permit in April 2019. The French sovereign risk discourages investors to fund any of the Company's potential oil and gas operations in France.

The Company's success to date in its legal actions conducted in the Tribunal and Appeal Court dictates that the Company should pursue further its legal rights in France.

NEW VENTURES

The Company has been searching for opportunities within Australia having regards to the recent federal government announcements on strong support for the gas and energy industry. Discussions have been held to farm in certain oil and gas licences but have not yet reached the stage of binding agreements.

The reviewing of opportunities in onshore Philippines has been suspended due to the travel restrictions arising from the Covid-19 pandemic.

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.

CORPORATE

At the Annual General Meeting held on 27 November 2020 shareholders approved the issue within 3 months of up to 400 million fully paid ordinary shares in accordance with ASX Listing Rule 7.1. On 26 February 2021, 399,054,054 fully paid ordinary shares were issued by private placement at \$0.0037 per share raising \$1,476,500 before costs.

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 2020.

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
P W V M Sam Yue

Operating Results

The operating loss of the Group for the half-year ended 31 December 2020 was \$1,230,340 (2019: loss \$798,619).

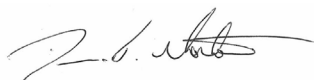
Review of Operations

A review of operations for the half-year ended 31 December 2020 is set out on pages 2 to 5.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 7 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



Dennis J. Morton
Managing Director
Sydney

12 March 2021

12 March 2021

Board of Directors
Gas2Grid Limited
World Tower
Suite 1312
87-89 Liverpool Street
Sydney NSW 2000

Dear Sirs

RE: GAS2GRID LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gas2Grid Limited.

As Audit Director for the review of the financial statements of Gas2Grid Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED



Martin Michalik
Director

Gas2Grid Limited
Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2020

		Half-year	
	Note	2020	2019
		\$	\$
Interest and other income		64	110
Administration expense		(182,890)	(146,946)
Auditor's remuneration		(8,145)	(10,005)
Depreciation		(11,413)	(7,675)
Finance costs		(315,848)	(575,201)
Foreign exchange gains		4,688	5,701
Impairment of exploration and evaluation expenditure		(39,835)	-
Insurance costs		(11,294)	(8,276)
Licences renewal costs		(18,771)	(19,116)
Listing and registry fees		(16,286)	(23,087)
Provision for refund of penalties received	7	(625,000)	-
Rental expenses		(5,610)	(14,124)
Loss before income tax		(1,230,340)	(798,619)
Income tax expense		-	-
Loss from continuing operations		(1,230,340)	(798,619)
Other comprehensive income		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(1,230,340)	(798,619)
Loss for the half-year attributable to the owners of Gas2Grid Limited		(1,230,340)	(798,619)
Total comprehensive loss for the half-year attributable to owners of Gas2Grid Limited		(1,230,340)	(798,619)
		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share		(0.09)	(0.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Gas2Grid Limited
Consolidated statement of financial position
as at 31 December 2020

	Note	31 DECEMBER 2020 \$	30 JUNE 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		232,714	310,994
Trade and other receivables		8,527	10,321
Other assets		39,816	34,086
Total current assets		<u>281,057</u>	<u>355,401</u>
Non-current assets			
Plant and equipment		298	496
Right of use assets		14,953	26,168
Other assets		-	3,900
Total non-current assets		<u>15,251</u>	<u>30,564</u>
Total assets		<u>296,308</u>	<u>385,965</u>
LIABILITIES			
Current liabilities			
Trade and other payables		575,676	590,995
Lease liabilities		15,363	22,733
Provisions	7	825,000	200,000
Total current liabilities		<u>1,416,039</u>	<u>813,728</u>
Non-current liabilities			
Trade and other payables	8	6,094,679	5,615,481
Lease liabilities		-	3,880
Borrowings	9	5,100,149	5,100,149
Total non-current liabilities		<u>11,194,828</u>	<u>10,719,510</u>
Total liabilities		<u>12,610,867</u>	<u>11,533,238</u>
Net liabilities		<u>(12,314,559)</u>	<u>(11,147,273)</u>
EQUITY			
Contributed equity	10	32,750,661	32,687,607
Reserves		319,802	319,802
Accumulated losses		(45,385,022)	(44,154,682)
Total deficit		<u>(12,314,559)</u>	<u>(11,147,273)</u>

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 2020

	Contributed Equity	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
As at 1 July 2019	32,080,580	(42,245,352)	319,802	(9,844,970)
<i>Total comprehensive loss for the half-year</i>	-	(798,619)	-	(798,619)
Transactions with owners in their capacity as owners:				
Contribution of equity, net of transaction costs	330,437	-	-	330,437
As at 31 December 2019	32,411,017	(43,043,971)	319,802	(10,313,152)
As at 1 July 2020	32,687,607	(44,154,682)	319,802	(11,147,273)
<i>Total comprehensive loss for the half-year</i>	-	(1,230,340)	-	(1,230,340)
Transactions with owners in their capacity as owners:				
Contribution of equity, net of transaction costs	63,054	-	-	63,054
As at 31 December 2020	32,750,661	(45,385,022)	319,802	(12,314,559)

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 2020

	Half-year	
	2020	2019
	\$	\$
Cash flows from operating activities		
Interest received	64	190
Payments to suppliers and employees	(68,383)	(107,614)
Net cash outflow from operating activities	<u>(68,319)</u>	<u>(107,424)</u>
Cash flows from investing activities		
Payments for exploration expenditure	(48,088)	(530,873)
Net cash outflow from investing activities	<u>(48,088)</u>	<u>(530,873)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	338,546
Proceeds from sale of treasury shares	69,500	-
Share transaction costs	(6,446)	(8,109)
Payments for lease liabilities	(23,400)	(23,400)
Net cash inflow from financing activities	<u>39,654</u>	<u>307,037</u>
Net decrease in cash and cash equivalents	(76,753)	(331,260)
Cash and cash equivalents at the beginning of the half-year	310,994	502,418
Effects of exchange rate changes on cash and cash equivalents	(1,527)	5,701
Cash and cash equivalents at the end of the half-year	<u>232,714</u>	<u>176,859</u>

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

1. Nature of operations

Gas2Grid Limited and subsidiaries' (the Group) principal activities consist of oil and gas exploration in the Philippines.

2. General information and basis of preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six months ended 31 December 2020 and are presented in Australian Dollar, which is the functional currency of the Parent Company (Gas2Grid Limited). These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any other public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 12 March 2021.

3. Significant accounting policies

The same accounting policies and methods of computation have been followed in this interim report as were applied in the most recent annual financial statements.

The Group has adopted all of the new and amended Accounting Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

It has been determined that there has been no material impact of the new and revised Accounting Standards and Interpretations on its business.

The Group has not early adopted new Accounting Standards and Interpretations that are not yet mandatory in this reporting period. No significant impact on the Group's financial performance or position is expected when they are adopted.

4. Significant event

In mid-February 2021 the Group became aware of a decision handed down by the Court of Appeal of Bordeaux on 15 December 2020 following a hearing held on 17 November 2020 (not notified to the Company), in appeal proceedings that the French Government would have exercised on 10 September 2018 and to which the Company may not have been able to defend itself in front of the French judge. The decision annulled the Pau Tribunal judgement of 5 July 2018 that imposed penalties of €383,500 on the Government in respect of delays to grant a 5 year extension to the St Griede permit commencing from 3 November 2016 as decided by the Pau Tribunal in November 2016. The penalties were spontaneously paid to the Company in August 2018 then the French Government lodged an appeal in September 2018. The Company's lawyers in France are seeking resolutions from the Court, including likely referral to the Conseil d'Etat of France (i.e. High Court). A provision has been recognised in the half-year for refund of the penalties received and estimated legal costs.

The extended Technical Moratorium of Service Contract 44 ("SC 44") ended on 2 September 2020 with the *State of Calamity* in Philippines due to Covid-19 having been in force since March 2020. The Company had invoked the *Force Majeure* provision of SC 44 and requested an extension of time to complete the deepening and testing operations of Nuevo Malolos-1 which had been underway since September 2019. On 22 September 2020, the Philippines Government extended the State of Calamity and Enhanced Community Quarantine by one year. The Company is not permitted to resume field

operations and would also require the grant of a contract extension under the terms and conditions of SC 44. The Company's legal tenure of SC 44 remains current until a determination by the Department of Energy with respect to the Force Majeure claim.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020 except for those included in Note 4.

6. Going concern – material uncertainty

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2020 the Group had net liabilities of \$12,314,559 (30 June 2020: 11,147,273) including \$5,100,149 (30 June 2020: \$5,100,149) in Directors' loans and \$6,094,679 (30 June 2020: \$5,615,481) in Directors' fees and accrued finance charges that fall due for repayment on 16 April 2022. The Group has made a loss of \$1,230,340 (31 December 2019: \$798,619) for the half-year ended 31 December 2020 after recognising a provision of \$625,000 for refund of penalties received.

To undertake exploration and appraisal activities in Philippines, protect the investment made in the St Griede permit in France and search for new ventures while the Group has no revenue producing assets, the Group requires regular injection of funds. At the date of this report the Group has met its exploration expenditure commitments to deepen the Nuevo Malolos-1 well in SC 44.

The continuing ability of the Group to continue as a going concern and to undertake exploration activities and repay Directors' loans, outstanding fees and interest is dependent upon the extension of SC 44 and its successful development and exploitation; positive outcome from the claim against the French Government; and new equity capital that may be raised.

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 and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group will be able to continue as a going concern. In arriving at this conclusion, the Directors considered the following:

- The expiry date of the loan facilities from related entities of Directors (D Morton, D Munns and P Sam Yue) is 16 April 2022. The undrawn amount on these loans is \$3,599,851 at 31 December 2020 and is able to be drawn upon in the short term.
- The Directors' fees, management fees and finance charges may continue to be deferred and not paid in cash by the Group, subject to agreement with the Directors.
- If required, management will negotiate to extend the maturity terms of the loan facilities and the fees and finance charges payable to the Directors beyond the current maturity date on 16 April 2022.

Gas2Grid Limited
Condensed notes to the financial statement
For the half-year ended 31 December 2020
(continued)

- On 26 February 2021, the Group raised \$1,476,500 before costs in equity capital with the issue of 399,054,054 fully paid ordinary shares which were pre-approved by shareholders at the Annual General Meeting held on 27 November 2020.

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 2020. 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 Group not continue as a going concern.

	31 December 2020	30 June 2020
	\$	\$
7. Provisions – Current		
Provision for rehabilitation	200,000	200,000
Provision for refund of penalties received	625,000	-
	<u>825,000</u>	<u>200,000</u>

A provision for refund of penalties received and for estimated legal costs has been recognised during the half-year (see Note 4).

8. Trade and other payables – Non-current

Fees payable to Directors (including GST)	1,690,275	1,526,475
Accrued interest on fees payable to Directors	422,883	338,878
Accrued interest on loans	3,208,021	2,976,628
Accrued establishment fees on Directors' loans	773,500	773,500
	<u>6,094,679</u>	<u>5,615,481</u>

At 30 June 2020, Directors and their related entities have agreed for the amounts owing to them at balance date to be settled on 16 April 2022 or earlier at the Company's option. Interest is accrued at the rate of 9% per annum on compound basis quarterly in arrears for fees payable to Directors (excluding GST).

9. Non-current borrowings

Loans from Directors' related entities	<u>5,100,149</u>	<u>5,100,149</u>
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The unsecured loan facilities totalling \$8,700,000 expire on 16 April 2022 and a fixed interest rate of 9% per annum applies from the date of drawdown and a 1% establishment fee applies on extension of the loan period or increase in facility amount.

10. Contributed equity

	Number shares	\$
At beginning of period	1,378,996,985	32,687,607
Movement during the half-year:		
Sale of treasury shares	-	69,500
Transaction costs	-	(6,446)
At end of period	<u>1,378,996,985</u>	<u>32,750,661</u>

Gas2Grid Limited
Condensed notes to the financial statements
For the half-year ended 31 December 2020
(continued)

At balance date there were 43,000,000 shares issued under EIP with non-recourse loans outstanding on these shares of \$316,000.

11. Segment information

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

	Revenue		Segment Results		Segment Assets		Segment Liabilities	
	2020 \$	2019 \$	2020 \$	2019 \$	31 Dec 2020 \$	30 Jun 2020 \$	31 Dec 2020 \$	30 Jun 2020 \$
Australia	64	110	(546,734)	(779,503)	291,686	362,797	11,297,171	10,818,220
France	-	-	(625,000)	(19,116)	-	-	625,000	16,704
Philippines	-	-	(58,606)	-	4,622	23,168	688,696	698,314
Consolidated	64	110	(1,230,340)	(798,619)	296,308	385,965	12,610,867	11,533,238

**31 December
2020
\$** **30 June
2020
\$**

12. Commitments

Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Not later than one year	734	3,118
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13. Contingent liabilities

The Group did not have any contingent liabilities as at 31 December 2020.

14. Events occurring after the reporting period

There has not arisen in the interval since 31 December 2020 and up to the date of this report, any matter that, in the opinion of the Directors, has 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 years other than the following:

- On 26 February 2021, the Group raised \$1,476,500 before costs in equity capital with the issue of 399,054,054 fully paid ordinary shares which were pre-approved by shareholders at the Annual General Meeting held on 27 November 2020.

Gas2Grid Limited
Directors Declaration
For the half-year ended 31 December 2020

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 8 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting;
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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: 12 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gas2Grid Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Gas2Grid Limited, which comprises the consolidated statement of financial position as at 31 December 2020, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Gas2Grid Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 12 March 2021.

Material Uncertainty Related to Going Concern

We draw attention to Note 6 in the financial report, which indicates that the Group had current assets of \$281,057 including total cash of \$232,714, current liabilities of \$1,416,039, non-current liabilities of \$11,194,828 and has incurred a net loss of \$1,230,340 in the period ended 31 December 2020. Subsequent to 31 December 2020 the Group raised a further \$1,476,500.

The ability of Gas2Grid Limited to continue as a going concern is subject to the company being able to draw down and/or extend loan facilities, defer directors' and management fees and/or a successfully recapitalise Gas2Grid Limited by raising new capital. In the event that the Board is not successful in recapitalising the Group and in raising further funds and/or extending and/or drawing down loan facilities, Gas2Grid Limited may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Gas2Grid Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 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*.

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth
12 March 2021