

Gas2Grid Limited

ACN 112 138 780

Non-Renounceable Entitlement Offer Booklet

A fully underwritten Non-Renounceable Pro-Rata Entitlement Offer of 1 New Share for every 1 Share held at an Issue Price of \$0.003 per New Share to raise approximately \$6.13 million before costs

The Entitlement Offer opens at 9:00am (Sydney time) on Thursday, 27 May 2021

The Entitlement Offer closes at 5:00pm (Sydney time) on Thursday, 1 July 2021

The Entitlement Offer is fully underwritten by the Company's directors; Dennis Morton, Patrick Sam Yue and David Munns, who (through their controlled entities) have agreed to underwrite up to \$1,810,000, \$2,073,653 and \$2,250,000 respectively.

NOT FOR RELEASE TO U.S. WIRE SERVICES

This Offer Booklet dated 19 May 2021 and the accompanying personalised Entitlement and Acceptance Form contain important information. Please read both the Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form carefully and in their entirety, and call your professional adviser or Gas2Grid Limited (**Gas2Grid** or **Company**) if you have any queries. In particular, Eligible Shareholders should refer to the risk factors set out in Section 6 of this document. If you do not understand this document, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

This Offer Booklet is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Booklet does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument 2016/84**), the Entitlement Offer will be made without a prospectus. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Entitlement Offer or the merits of the investment to which this Entitlement Offer relates.

IMPORTANT INFORMATION

Not a prospectus, not investment advice or financial product advice

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC nor ASX take responsibility for the contents of this Offer Booklet.

The information in this Offer Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. The potential tax effects of the Entitlement Offer will vary between individual investors. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Entitlement Offer. If, after reading this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

You should also consider the key risks which is included in this Offer Booklet as part of the ASX announcement at Section 6.

References to 'you' and 'your Entitlement'

In this Offer Booklet, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlements of, and the Entitlement and Acceptance Form for, Eligible Shareholders.

No Entitlement trading

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. You cannot, in most circumstances, withdraw your application for New Shares once it has been accepted.

Defined terms and time

Defined terms and abbreviations used in this Offer Booklet are explained in Section 8.

Notwithstanding any references to the contrary, all references to time in this Offer Booklet are to Sydney time.

This Offer Booklet should be read in its entirety.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer other than as contained in this Offer Booklet. Any information or representation in connection with the Entitlement Offer not contained in this Offer Booklet is not, and may not be relied upon as

having been, authorised by the Company or any of its officers.

This Offer Booklet should be read in its entirety before you decide to participate in the Entitlement Offer.

If you have any questions about your Entitlement to New Shares, please contact either the Company using the contact details provided in the Corporate Directory in Section 9 or your stockbroker or professional adviser.

Jurisdictions

This Offer Booklet does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. This Offer Booklet has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. See the foreign selling restrictions set out in Section 4.18 of this Offer Booklet for more information.

Financial forecasts and forward-looking statements

Some of the statements appearing in this Offer Booklet may be in the nature of forward-looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', or 'intends' and other similar such words that involve risks or uncertainties.

You should be aware that such statements are not statements of fact or guarantees and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements are subject to

many inherent risks and uncertainties before actual outcomes are achieved. These risk factors are discussed further in Section 6. Actual outcomes may differ materially from the events, intentions or results expressed or implied in any forward-looking statement in this Offer Booklet.

To the maximum extent permitted by law, none of the Company or any person named in this Offer Booklet or any person involved in the preparation of this Offer Booklet makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Booklet, except where required by law. You are cautioned not to place undue reliance on any forward-looking statement having regard to the fact that the outcome may not be achieved.

Any pro forma financial information (including past performance information) provided in this Offer Booklet is for information purposes only and is not a forecast of operating results to be expected in any future period. Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet.

Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or to the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments

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and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons lawfully entitled to inspect the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you by contacting the Company or its Share Registry. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application for New Shares.

Risks

Section 6 contains a summary of general and specific risk factors that may affect the Company. You should take this into account when making a decision to take up your Entitlements.

Publicly available information

The Entitlement Offer Booklet should be read in conjunction with the Company's continuous disclosure announcements made to the ASX available from the ASX website (at www2.asx.com.au - ASX Code: GGX). The Company may release further announcements after the date of this Offer Booklet which may be relevant to your consideration of the Entitlement Offer.

Past performance

Investors should note that past performance, including past Share price performance, cannot be relied on as an indicator of, and provides no

guidance as to, future Company performance, including future Share performance.

Underwriting

The Entitlement Offer is fully underwritten by the Underwriters, subject to the terms of an agreement between the Company and the Underwriters. See Section 7.9 for full particulars.

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1. Key Offer Details

Key Terms	
Issue Price	\$0.003 per New Share
Ratio	1 New Share for every 1 Share held on the Record Date
Maximum number of New Shares to be issued under Entitlement Offer	2,045 million (approximately)
Maximum number of Shares on issue following the Entitlement Offer	4,089 million (approximately)
Maximum amount to be raised under Entitlement Offer	\$6.13 million (approximately)
Underwriting	Fully underwritten

Indicative Timetable	
Activity	Date
Announcement of the Entitlement Offer, lodgement of Appendix 3B, lodgement of Offer Booklet and cleansing notice	Wednesday, 19 May 2021
Letter to Shareholders regarding Entitlement Offer	Thursday, 20 May 2021
Trading on ex basis	Friday, 21 May 2021
Record Date for the Entitlement Offer (7:00pm Sydney time)	Monday, 24 May 2021
Mail out of Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders complete, Entitlement Offer opens	Thursday, 27 May 2021
Last day to extend the Closing Date	Monday, 28 June 2021
Closing Date for acceptances under the Entitlement Offer (5:00pm Sydney time)	Thursday, 1 July 2021
Quotation on deferred settlement basis	Friday, 2 July 2021
ASX and Underwriters notified of shortfall	Monday, 5 July 2021
Allotment of New Shares issued under the Entitlement Offer and lodgement of Appendix 2A	Wednesday, 7 July 2021
Normal trading commences for New Shares issued under the Entitlement Offer	Thursday, 8 July 2021
Expected despatch of Holding Statements	Friday, 9 July 2021

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Directors reserve the right:

- (a) to vary the dates of the Entitlement Offer; and
- (b) not to proceed with the whole or part of the Entitlement Offer at any time prior to issue of the New Shares.

In the event the Directors decide not to proceed with the whole or part of the Entitlement Offer, Application Money (without interest) will be returned in full to the Applicants.

An extension of the Closing Date for the Entitlement Offer will delay the anticipated date for issue of the New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form and Application Money as soon as possible after the Entitlement Offer opens.

You cannot, in most circumstances, withdraw an Application once it has been accepted. No cooling-off rights apply to the Entitlement Offer.

2. Chairman's Letter

Dear Shareholder,

On behalf of the Board of Gas2Grid Limited (**Gas2Grid** or the **Company**) I invite you to participate in the Company's fully underwritten non-renounceable pro-rata entitlement offer of 1 New Share for every 1 Share held at the Record Date, at an Issue Price of \$0.003 per New Share (**Entitlement Offer**) to raise a total of \$6.13 million (before costs).

On 19 May 2021, the Company announced that it would proceed with the Entitlement Offer.

The shares under the Entitlement Offer will be issued under exceptions 1 and 2 of ASX Listing Rule 7.2 and exception 2 of ASX Listing Rule 10.12 which means that shareholder approval under ASX Listing Rule 7.1 and 10.11 (respectively) will not be required for the issue.

The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders who are on the Company's share register at 7:00pm (Sydney time) on 24 May 2021 (**Record Date**) will be entitled to subscribe for 1 New Share for every 1 Share held, at an Issue Price of \$0.003 per New Share (**Entitlement**) on the terms set out in this Offer Booklet (**Entitlement Offer**).

The Issue Price represents a 9.1% discount to the 5-day VWAP of Shares on 18 May 2021, being the last trading day prior to the announcement of the Entitlement Offer.

The Directors of the Company and their associates will not be taking up their Entitlements. Instead, they will allow their Entitlements to form part of the Shortfall, which will then be subscribed for by the Underwriters (being entities controlled by the Directors). The Underwriters will not receive an Underwriting Fee in respect of those lapsed Entitlements. The Directors; Dennis Morton, Patrick Sam Yue and David Munns (through their controlled entities) have agreed to underwrite up to \$1,810,000 \$2,073,653 and \$2,250,000 respectively. The proceeds from the issue of New Shares to Underwriters will be applied to the prepayment of the loans from, and amounts owing to, the Directors and their controlled entities (in advance of the extended due date for repayment of 16 April 2022), provided that no Underwriter will subscribe for New Shares to the extent that it could result in that Underwriter's voting power in the Company increasing to, or above, 20%.

Proceeds of the Entitlement Offer

The Entitlement Offer will raise approximately \$6.13 million (before costs).

The proceeds of the Entitlement Offer will be used for general working capital, exploration expenditure, new ventures, payment of creditors, costs of the offer and partial prepayment of loans from, and amounts owing to, Directors and their controlled entities (in advance of the extended due date for repayment of 16 April 2022) to reduce the total liabilities of the Company.

Non-tradeable rights

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

Low-docs offer

The Entitlement Offer is to be made under s708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, and the Offer Booklet has been lodged with the ASX. A copy of that document can be accessed on the ASX website or the Company's website and is anticipated to be despatched to Eligible Shareholders (with personalised Entitlement and Acceptance Forms) on or before 27 May 2021.

How to apply

The Entitlement Offer is scheduled to close at 5:00pm (Sydney time) on 1 July 2021. To participate in the Entitlement Offer, you must have applied for New Shares so that your completed Entitlement and Acceptance Form and application money, or BPAY® payment is received by this time. Shareholders recorded on the share register with an address outside Australia and New Zealand are not eligible to participate in the Entitlement Offer.

I encourage you to read this document before deciding whether or not to take up your Entitlement. You should read the key risk information included in this Offer Booklet at Section 6.

If you have any questions in respect of the Entitlement Offer please consult your stockbroker, accountant or other professional adviser or call the Company Secretary on 02 9241 1927 or by email at office@gas2grid.com at any time between 9:00am and 5:00pm (Sydney time) on Monday to Friday during the Entitlement Offer period.

Conclusion

As a Board, we appreciate the support of our existing Shareholders and we have been mindful of providing existing Shareholders the opportunity to increase their investment in the Company.

On behalf of my fellow directors, I look forward to welcoming your participation in the Entitlement Offer.

David Munns
Chairman

3. Purpose of the Offer

3.1 Background

The Company is currently awaiting decisions on two significant matters, the extension of oil and gas Service Contract 44 (**SC 44**) in Philippines in order to complete the deepening of Nuevo-Malolos-1 oil and gas well for production testing and a legal claim of €34.35 million lodged in court in France against the French Government for not renewing the St Griede permit for conventional oil and gas exploration.

SC 44 (100% Working Interest), Onshore Cebu, Philippines

The extended Technical Moratorium of 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 (**NM-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, a 25 year production licence may be applied for.

Legal Claim: St Griede, Onshore Aquitaine Basin

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.

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 regard to the actions and legal process over 6 years to avail itself 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 in the Company's opinion will likely continue to be resisted primarily driven by political interests in France.

In July 2019, based on legal advice, the Company lodged a €34.35 million financial claim on the French Government for the non-renewal of the St. Griede permit. With no response until 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 refusing, as directed by the French Courts, to renew the St Griede conventional hydrocarbon exploration permit in accordance with the prevailing mining law. The French Government lodged their defence on 15 February 2021. A Court hearing date and decision for the matter is awaited. 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.

On 15 December 2020, a decision was handed down by the Court of Appeal of Bordeaux in appeal proceedings commenced by the French Government. 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 as decided by the Pau Tribunal in November 2016. The penalties were paid to the Company in August 2018 before the French Government lodged an appeal in September 2018. Resolutions on the decision are being sought in Courts in France. The timing for resolutions and the outcome are uncertain.

New Ventures

The Company has been searching for opportunities within Australia having regard 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.

Capital Raising

The Company raised a total of \$2.5 million before costs for working capital and investment in exploration and new ventures by placement of 399,054,054 fully paid ordinary shares at \$0.0037 per share on 26 February 2021 and of 266,500,000 fully paid ordinary shares at \$0.004 per share on 24 March 2021.

3.2 Steps forward

The immediate plans for Gas2Grid over the next 12 months are to:

- pursue the extension of the SC 44 in order to complete the deepening of NM-1 for testing and if successful apply for a 25 year production licence before planning further exploration over identified prospective areas of the SC 44;
- manage the legal claim in the French Courts to achieve a payment for damages, which if successful plan to use the funds to benefit all shareholders;
- seek to invest in new ventures with potential to grow the Company; and
- restructure the balance sheet of the Company in reducing the level of debt that has been accumulated in prior years primarily for exploration and unpaid directors fees, including possibly converting the debts to equity subject to shareholders' approval.

3.3 Use of funds

The Company intends to apply the funds raised under the Entitlement Offer as follows. The proceeds of up to \$6.13 million from the Underwriters will be applied to reduce the loans and the amounts owing to the Underwriters and associates of the Directors. The cash proceeds from the Eligible Shareholders that take up their Entitlements will be applied to working capital, exploration expenditure, new ventures, payment of creditors and the costs of the Entitlement Offer. As the cash proceeds are a function of the take-up of Entitlements by Non-Director Eligible Shareholders the table below sets out a number of possible scenarios:

Use of funds	Non-Director Eligible Shareholders Take-up		
	100%	50%	0%
	Amount A\$ million		
Working capital, exploration expenditure, new ventures and payment of creditors	4.82 ¹	2.22 ¹	-
Prepayment of loans from, and amounts owing to, Directors and their associates ²	1.22	3.67	5.83
Underwriting fees	-	0.15	0.30 ²
Other costs of the Offer	0.09	0.09	- ²
TOTAL RAISED	6.13	6.13	6.13

The above is a statement of the Company's current intentions as at the date of this Offer Booklet. The Company reserves the right to change the way the funds are applied.

¹ Exploration expenditure is dependent on the extension of SC44 in Philippines and the new ventures have not yet been identified.

² In the event that no cash proceeds are received the other costs of the Entitlement Offer will be funded from the Company's existing working capital and the underwriting fees will be added to amounts owing to Directors and their associates.

4. Details of the Entitlement Offer

4.1 The Entitlement Offer

The Company is conducting a fully underwritten non-renounceable pro rata offer of New Shares to Eligible Shareholders.

Eligible Shareholders who are recorded on the Company's share register at 7:00pm (Sydney time) on 24 May 2021 (**Record Date**) will be entitled to subscribe for 1 New Share for every 1 Share held on the Record Date. The Issue Price for each New Share is \$0.003, which is payable in full on application.

To participate in the Entitlement Offer, Eligible Shareholders need to ensure that Entitlement and Acceptance Forms and/or payment of Application Money is received by the Company on or before the Closing Date, in accordance with the instructions in Section 5.

The maximum number of New Shares to be issued under the Entitlement Offer will be approximately 2,045 million, to raise up to approximately \$6.13 million (before costs). The details of the use of the proceeds of the Entitlement Offer are set out in Section 3.3 above.

All of the New Shares offered under this Offer Booklet will rank equally with the Shares on issue at the date of this Offer Booklet, on and from their date of issue.

The Directors may, at any time, decide to withdraw this Offer Booklet and the Entitlement Offers made under it, in which case the Company will return all Application Money (without interest) within 28 days of giving such notice of withdrawal.

4.2 Snapshot of the Entitlement Offer

A snapshot of the Entitlement Offer is detailed below:

Issue Price	\$0.003 per New Share payable in full on application
Entitlement	1 New Share for every 1 Share held on the Record Date
Discount of the Issue Price to the closing price of \$0.003 on 18 May 2021	0%
Discount of the Issue Price to the price of the Company's most recent placement	25%
Discount of the Issue Price to the 5-day volume weighted average price up to and including 18 May 2021 of \$0.0033	9.1%
Number of New Shares to be issued under the Entitlement Offer	2,045 million (approximately)
Amount to be raised under the Entitlement Offer	\$6.13 (approximately)
Number of Shares on issue following the Entitlement Offer	4,089 million (approximately)

4.3 Eligibility to participate in Offer

The Entitlement Offer is being offered to Eligible Shareholders only.

Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that have a Registered Address in Australia and New Zealand (**Eligible Shareholders**).

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to shareholders who have a registered address outside Australia and New Zealand having regard to the number of such holders in those places and the number and the value of the New Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Entitlement Offer to shareholders who have registered addresses outside of Australia and New Zealand in accordance with applicable law,

Shareholders with a registered address in New Zealand must note the selling restrictions set out in Section 4.18 of this Offer Booklet.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which will accompany the paper copy of this Offer Booklet sent to them.

Shareholders who are not Eligible Shareholders will not be entitled to participate in the Entitlement Offer or to subscribe for New Shares.

4.4 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Ltd ACN 008 504 532 (**ASTC**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Booklet and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes.

Shareholders may request a statement at any other time; however, there may be a charge associated with the provision of this service.

4.5 Pro Forma balance sheet

Completion of the Entitlement Offer may result in an increase in cash at hand of the Company. The level of increase will be a function of the number of New Shares issued to Eligible Shareholders other than the Directors / Underwriters.

The audited consolidated balance sheet as at 30 June 2020 and the unaudited pro-forma consolidated balance sheet as at 31 March 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma consolidated balance sheet has been prepared under three scenarios, being (i) all Non-Director Eligible Shareholders take up their Entitlements, (ii) 50% of Non-Director Eligible Shareholders take up their entitlement, and (iii) none of the Non-Director Eligible Shareholders take up their Entitlements and otherwise assuming:

- (a) the issue of New Shares under the Entitlement Offer at \$0.003 per Share;
- (b) the estimated cost of the Entitlement Offer excluding Underwriting Fees being approximately A\$0.09 million (excluding GST);
- (c) the Underwriting Fees are dependent of the number of underwritten shares taken up by the Underwriters and are up to a maximum of \$0.3 million;
- (d) the proceeds of New Shares issued to Underwriters will be applied to the prepayment of their loans and amounts owing to them and their associates (in advance of the extended due date for repayment of 16 April 2022); and
- (e) other interim material adjustments are taken into account for the period between 30 June 2020 and 31 March 2021.

The pro-forma consolidated balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, as it does not include all of the disclosures required by Australian Accounting Standards applicable to audited or audit reviewed financial statements.

		ENTITLEMENTS TAKE UP BY NON-DIRECTOR ELIGIBLE SHAREHOLDERS					
		100%	50%	0%			
Audited		Unaudited – 31 March 2021					
Balance Sheet 30 June 2020	Balance Sheet 31 March 2021	Adjustment Net Offer Proceeds	Balance Sheet Pro Forma	Adjustment Net Offer Proceeds	Balance Sheet Pro Forma	Adjustment Net Offer Proceeds	Balance Sheet Pro Forma
A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
ASSETS							
Current assets							
Cash and cash equivalents	311	2,498	4,822	7,320	2,217	4,715	2,408
Trade and other receivables	10	36	-	36	-	36	36
Other assets	34	26	-	26	-	26	26
Total current assets	355	2,560	4,822	7,382	2,217	4,777	2,470
Non-current assets							
Plant and Equipment	1						
Right of use assets	26	10	-	10	-	10	10
Other assets	4						

Total non-current assets	31	10	-	10	-	10	-	10
Total assets	386	2,570	4,822	7,392	2,217	4,787	(90)	2,480
LIABILITIES								
Current liabilities								
Trade and other payables	(591)	(621)	-	(621)	-	(621)	-	(621)
Lease liabilities	(23)	(10)	-	(10)	-	(10)	-	(10)
Provisions	(200)	(825)	-	(825)	-	(825)	-	(825)
Total current liabilities	(814)	(1,456)	-	(1,456)	-	(1,456)	-	(1,456)
Non-current liabilities								
Trade and other payables	(5,615)	(6,327)	-	(6,327)	478	(5,849)	2,171	(4,156)
Lease liabilities	(4)							
Borrowings	(5,100)	(5,100)	1,220	(3,880)	3,198	(1,902)	3,666	(1,434)
Total non-current liabilities	(10,719)	(11,427)	1,220	(10,207)	3,676	(7,751)	5,837	(5,590)
Total liabilities	(11,533)	(12,883)	1,220	(11,663)	3,676	(9,207)	5,837	(7,046)
NET ASSETS	(11,147)	(10,313)	6,042	(4,271)	5,893	(4,420)	5,747	(4,566)
EQUITY								
Contributed equity	32,688	35,134	6,042	41,176	5,893	41,027	5,747	40,881
Reserves	320	320	-	320	-	320	-	320
Accumulated losses	(44,155)	(45,767)	-	(45,767)	-	(45,767)	-	(45,767)
TOTAL EQUITY	(11,147)	(10,313)	6,042	(4,271)	5,893	(4,420)	5,165	(4,566)

4.6 Capital structure

The principal effect of the Entitlement Offer will be to increase the total number of Shares and, if all Non-Director Eligible Shareholders take up their Entitlements, to increase the cash reserves by up to \$4.82 million (after deducting the estimated costs of the Entitlement Offer of \$0.09 million) and reduce the loans owing to the Directors and their associates by \$1.22 million or, if none of the Non-Director Eligible Shareholders take up their Entitlements, to reduce cash reserves by \$0.09 for the estimated costs of the Entitlement Offer and reduce the loans and amounts owing to Directors and their associates by up to \$5.83 million. The net

effect on cash reserves and the loans and amounts owing to Directors and their associates is dependent on the percentage of Eligible Shareholders taking up their Entitlements.

The following table shows the capital structure of the Company before, and after completion of the Entitlement Offer:

Shares on issue at the date of this Offer Booklet	2,044,551,039
Number of New Shares to be issued under the Entitlement Offer	2,044,551,039
Number of Shares on issue following the Entitlement Offer	4,089,102,078

4.7 Directors' intentions and participation

The Directors and their associates will not be taking up their Entitlements. Instead, they will allow their Entitlements to form part of the Shortfall, which will then be subscribed for by the Underwriters. The Underwriters will not receive an Underwriting Fee in respect of the lapsed Entitlements of Directors and their associates and, in the case of David Munns and his associates, the shares they would have been entitled to if they were Eligible Shareholders. The Directors; Dennis Morton, Patrick Sam Yue and David Munns (through their controlled entities) have agreed to underwrite up to \$1,810,000, \$2,073,653 and \$2,250,000 respectively.

4.8 Offer fully Underwritten

The Directors have fully underwritten the Entitlement Offer through the Underwriters. Subject to the terms of the Underwriting Agreement, the Underwriters will lodge or cause to be lodged with the Company, Applications for any New Shares not subscribed for by Eligible Shareholders.

A summary of the other material terms of the Underwriting Agreement is set out in Section 7.9.

4.9 Effect of the Entitlement Offer on Voting Power in the Company

The following table sets out the impact of the Entitlement Offer on the Voting Power in the Company, based on the size of the Shortfall.

			Percentage of Non-Director Eligible Shareholders who take up their Entitlements and Underwriters take up 100% of remaining underwritten shares					
			0 %		50%		100%	
Voting Power	Before the Offer		After the Offer					
	Shares	Voting Power %	Shares	Voting Power %	Shares	Voting Power %	Shares	Voting Power %
DJ Morton and associates	213,621,525	10.45%	816,954,858	19.98%	704,762,908	17.24%	431,757,919	10.56%
PWVM Sam Yue and associates	118,591,999	5.80%	809,809,706	19.80%	514,703,856	12.59%	241,698,867	5.91%
DA Munns and associates	60,762,973	2.97%	810,762,973	19.83%	399,045,804	9.76%	126,040,815	3.08%
Yucaja Pty Ltd <The Yoegiar Family a/c>	105,207,118	5.15%	105,207,118	2.57%	157,810,677	3.86%	210,414,236	5.15%
Remora Pty Ltd	61,456,581	3.01%	61,456,581	1.50%	92,184,872	2.25%	122,913,162	3.01%
Remaining Shareholders	1,484,910,843	72.63%	1,484,910,843	36.31%	2,220,593,961	54.31%	2,956,277,078	72.30%
Total	2,044,551,039	100.00%	4,089,102,078	100.00%	4,089,102,078	100.00%	4,089,102,078	100.00%

Notes to Table – Before and After the Offer

The above Table assumes that each Underwriter will first subscribe for Shortfall Shares which would have otherwise formed the Entitlements the relevant Director and his associates (and in the case of David Munns, assuming he, and his associates were Eligible Shareholders) and any remaining Shortfall Shares will be taken up by the Underwriters equally, provided their voting power in the Company does not go above 20%.

4.10 Impact of the Entitlement Offer on your shareholding and possible dilutive effect

The dilutionary effect of the Entitlement Offer on your shareholding will depend on whether you are an Eligible Shareholder and if so, whether you elect to subscribe for some or all of your Entitlement.

If an Eligible Shareholder takes up all of its entitlements under the Entitlement Offer, that Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Entitlement Offer.

However, to the extent that any Shareholder fails to take up their full Entitlement, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 4.9 for detail of the effect of the Entitlement Offer on voting power in the Company.

4.11 Entitlements and acceptance

Details of how to apply under the Entitlement Offer are set out in Section 5 of this Offer Booklet.

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet that will be posted to Eligible Shareholders.

4.12 No rights trading

The right to subscribe for New Shares pursuant to the Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares by the Closing Date, your Entitlement will lapse and form part of the Shortfall.

4.13 Risks

There are various risks associated with investing in the Company, as with any stock market investment, and, specifically, because of the nature of the Company's oil and gas exploration business with the undetermined extension of SC 44 in Philippines, the uncertain nature of the Company's legal proceedings in France and the present stage of development of the Company's operations with no determined licence tenure and uncertainty of securing any new ventures. Potential investors should consider whether the securities are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in Section 6 of this Offer Booklet. Many of those risk factors are outside the control of the Company.

4.14 Issue and dispatch

New Shares issued pursuant to this Offer Booklet will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 1 of this Offer Booklet.

Pending the issue of New Shares or the payment of refunds pursuant to this Offer Booklet, all Application Money will be held in trust for the relevant applicants in a separate bank account as required by the Corporations Act. The Company will, however, be entitled to retain all interest that accrues on the bank account and each applicant of New Shares waives the right to claim interest by completing and returning the Entitlement and Acceptance Form or making payment by BPAY.

The expected dates for the issue of New Shares offered by this Offer Booklet and dispatch of holding statements is expected to occur on the dates specified in the indicative timetable set out in Section 1 of this Offer Booklet. It is the responsibility of applicants for New Shares to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

4.15 Taxation matters

It should not be inferred or implied that the Company, Directors or its officers, purport to give Shareholders advice regarding the taxation consequences of subscribing for New Shares

under this Offer Booklet. The Company, its advisers and its Directors and officers do not accept any responsibility or liability for any such taxation consequences to Eligible Shareholders. Eligible Shareholders should consult their professional tax adviser in connection with the tax consequences of subscribing for any New Shares under this Offer Booklet.

4.16 Continuous disclosure

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. That information is available to the public from ASX.

This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares. All announcements made by the Company are available from its website www.gas2grid.com or the ASX at www2.asx.com.au (ASX Code: GGX).

4.17 Ineligible Shareholders

The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Shareholders in the jurisdictions in which the Ineligible Shareholders are located, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled to subscribe for and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located.

The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company may determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

4.18 Foreign Jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with Registered Addresses in New Zealand to whom the Entitlement Offer of New Shares is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.19 ASX quotation

The Company will apply to ASX for quotation of the New Shares on ASX. If ASX does not grant official quotation of the New Shares, the Company will not issue any New Shares and all Application Money will be refunded, without interest. The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are quoted on ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry.

4.20 Enquiries

If you have any questions, please contact the Company using contact details provided in the Corporate Directory during the Entitlement Offer period. If you are in any doubt as to whether you should participate in the Entitlement Offer you should consult your stockbroker, accountant, solicitor or other professional adviser.

5. What Eligible Shareholders may do

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement with the paper copy of this Offer Booklet sent to them. Shareholders, who are not Eligible Shareholders, will not receive an Entitlement and Acceptance form.

Eligible Shareholders' Entitlements to New Shares will be shown on the Entitlement and Acceptance Form accompanying the paper copy of this Offer Booklet sent to them. Before taking any action in relation to the Entitlement Offer, you should read this Offer Booklet in its entirety, and seek professional advice from your professional adviser.

You may:

- (a) take up all of your Entitlements (see Section 5.1 below);
- (b) take up part of your Entitlements and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 5.2 below); or
- (c) do nothing and allow all of your Entitlements to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 5.4 below).

Eligible Shareholders who do not participate in the Entitlement Offer, or who participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted.

5.1 If you wish to take up all of your Entitlements

If you wish to take up all of your Entitlements, you should:

- (a) complete the accompanying Entitlement and Acceptance Form (in accordance with the instructions set out in the Entitlement and Acceptance Form) and indicate the number of New Shares you wish to subscribe for which will be the number set out in your personalised Entitlement and Acceptance Form; and
- (b) send the completed Entitlement and Acceptance Form together with your cheque, bank draft or money order (in Australian currency) made payable to 'Gas2Grid Limited' for the applicable Application Money to the Share Registry at the address set out on the Entitlement and Acceptance Form.

The completed Entitlement and Acceptance Form should be sent together with your cheque, bank draft or money order for the applicable Application Money to the Share Registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00 pm (Sydney time) on the Closing Date.

Alternatively, Eligible Shareholders may apply for New Shares and pay by BPAY®. For Eligible Shareholders wishing to apply for New Shares and to pay by BPAY®, and for further details about payment, see Section 5.3 below.

If the amount of your cheque, bank draft or money order is insufficient to pay in full for the number of New Shares you have applied for, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for. Alternatively, your Application will be rejected (at the discretion of the Company).

5.2 If you wish to take up part of your Entitlements and allow the balance to lapse

If you wish to take up part of your Entitlements and allow the balance to lapse, you should:

- (a) complete the accompanying Entitlement and Acceptance Form (in accordance with the instructions set out on the Entitlement and Acceptance Form) and indicate the number of New Shares you wish to subscribe for; and
- (b) send the completed Entitlement and Acceptance Form together with your cheque, bank draft or money order (in Australian currency) made payable to Gas2Grid Limited' for the applicable Application Money to the Share Registry at the address set out on the Entitlement and Acceptance Form.

The completed Entitlement and Acceptance Form should be sent together with your cheque, bank draft or money order for the applicable Application Money to the Share Registry at the address set on the Entitlement and Acceptance Form by no later than 5:00pm (Sydney time) on the Closing Date.

Alternatively, Eligible Shareholders may apply for New Shares and pay by BPAY®. For Eligible Shareholders wishing to apply for New Shares and to pay by BPAY® and for further details about payment, see Section 5.3 below.

If the amount of your cheque, bank draft or money order is insufficient to pay in full for the number of New Shares you have applied for, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for. Alternatively, your Application will be rejected (at the discretion of the Company).

5.3 Payment by BPAY®

For Eligible Shareholders wishing to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):-

- (a) You should make your payment in respect of your Application Monies via BPAY® for the number of New Shares you wish to subscribe for (being the Issue Price of \$0.003 multiplied by the number of New Shares you are applying for).
- (b) Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number).
- (c) Your BPAY® payment must be received by no later than 5:00 pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.
- (d) For payment by BPAY® you do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY®, you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.
- (e) Please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

If you have more than one holding of Shares you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlements to which that Reference Number applies, with the remainder of your Application Money to be returned to you.

The Company will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Money received by the Company in excess of your final allocation of New Shares will be refunded by cheque to your registered address as noted on the Company's share register as soon as practicable after the close of the Entitlement Offer. It is not practical to refund any amount of less than \$5.00 to Shareholders and any refunds owing for less than this amount will be retained by the Company. No interest will be paid to Applicants on any Application Money received or refunded.

5.4 Entitlement to New Shares not taken up

If you decide not to take up all or any part of your Entitlement (in which case you do not take any further action) or fail to take any action before the Closing Date, your Entitlement will lapse. In this instance, the New Shares to which you would have been entitled to subscribe for shall form part of the Shortfall and will be issued pursuant to the Underwriting Agreement. You will receive no payment for your lapsed Entitlements. You cannot sell or transfer your Entitlements to another person. Your holding of Shares will, however, be diluted because the issue of New Shares will increase the total number of Shares on issue.

5.5 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding and irrevocable offer to apply for New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn.

Your application will be considered to be for as many New Shares as your payment will cover. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and that the Entitlement Offer can be made to you in accordance with this Offer Booklet, in accordance with applicable securities laws;
- (b) you have read and understood this Offer Booklet and your Entitlement and Acceptance Form in their entirety and provide the authorisations contained in this Offer Booklet and Entitlement and Acceptance Form;
- (c) you agree to be bound by the terms of the Entitlement Offer, provisions of the Entitlement Offer Booklet and the Company's constitution;

- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you authorise the Company to register you as the holder of New Shares issued to you;
- (g) once the Company (or the Share Registry) receives the Entitlement and Acceptance Form, or any payment of Application Money via BPAY®, you may not withdraw it except as allowed by law;
- (h) you agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Money via BPAY®, at the Issue Price per New Share;
- (i) you agree to be issued the number of New Shares that you apply for in the Entitlement and Acceptance Form;
- (j) you authorise the Company, the Directors, the Underwriters, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (k) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (l) you declare that you were the current registered holder(s) on the Record Date of that number of Shares as indicated on the Entitlement and Acceptance Form as being held by you;
- (m) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (n) you acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that the Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (o) you acknowledge the statement of risks in the Risk Factors detailed in Section 6 of this Offer Booklet, and that investments in the Company are subject to investment risk;
- (p) you acknowledge that none of the Company, the Underwriter and their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital; and

- (q) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:
- (i) you are not in the United States, or acting for the account of or benefit of a person in the United States;
 - (ii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Shares under the Entitlement Offer;
 - (iii) you will not send any materials relating to the Entitlement Offer to any person in the United States, or a person acting for the account or benefit of a person in the United States;
 - (iv) you have not and will not send any materials to the Entitlement Offer in any other country outside Australia and New Zealand or any jurisdiction where it is not lawful for the materials relating to the Entitlement Offer to be sent; and
 - (v) you agree that the allotment of New Shares to you constitutes acceptance of your application.

5.6 Brokerage and stamp duty

No brokerage is payable for the issue of New Shares pursuant to this Offer Booklet. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

5.7 Notice to nominees and custodians

The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Entitlement Offer, may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Company's shares.

Due to legal restrictions, nominees and custodians may send copies of this Offer Booklet or accept the Entitlement Offer only on behalf of beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent the Company may permit in compliance with applicable law.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

5.8 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Money paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

6. Risks

Prospective investors should be aware that the value of the Company's securities on ASX may be influenced by many unpredictable factors and may rise and fall depending on factors beyond the control of the Company. Shareholders taking up their Entitlements under the Entitlement Offer should be aware that New Shares carry no guarantee with respect to the payment of dividends, the return of capital or price at which those New Shares will trade.

The Company's oil and gas appraisal deepening of the NM-1 well at the Malolos oil field within SC 44 in the Philippines has been suspended since March 2020 when the Philippines Government declared a State of Calamity with border and travel restrictions because of the Covid-19 pandemic and the Company declared Force Majeure. In September 2020 the SC 44 extension period expired while the State of Calamity was extended to September 2021. The Philippines Government has not yet determined for a further extension of SC 44 addressing the Company's claim of Force Majeure to allow the NM-1 well deepening to be completed. Any profitability in the future from the Company's business may be dependent on the extension of the SC 44 allowing completion of the deepening of NM-1 and its production testing, successful appraisal and exploration, development, production and marketing of oil and gas from the Company's SC 44.

The Company is involved in a dispute in the French Court claiming damages of Euros 34.35 million from the French government on its refusal to renew the St Griede permit in the Aquitaine Basin in France. The timing for the decision of the Court and amount of any recovery are uncertain.

The Company is also seeking resolutions in the Courts in France with respect to a decision by the Court of Appeal of Bordeaux in December 2020 that 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 and already paid by the Government to the Company in August 2018 before the French Government lodged an appeal in September 2018. The timing for resolutions and the outcome is uncertain.

The Company has been seeking new ventures in the oil and gas sector in Australia and there is no certainty that investment in any new ventures may be exploited successfully.

The New Shares being offered under this offer document are considered speculative due to the present stage of development of the Company, the risks inherent in oil and gas exploration in foreign jurisdictions and in Australia and the court resolutions being sought in France. While some of the risks can be minimised by the use of safeguards and appropriate systems, some are outside the control of the Company.

The principal risk factors applicable to the business of the Company include, but are not limited to, the following.

Funding risk

The purpose of the Offer is to fund general working capital, oil and gas exploration, payments to creditors, cost of the offer and prepay loans from, and amounts owing to, Directors and their controlled entities (in advance of the extended due date for repayment of 16 April 2022). While the Underwriters have fully underwritten the Offer there are risks that the Company will not be able to raise adequate cash funds under the Entitlement Offer to complete the deepening of NM-1 should the SC 44 be extended or acquire new ventures and that further funds may have to be raised in the future.

The oil and gas exploration plans, and the development of the Company generally, is dependent on the Company having the SC 44 extended and/or acquiring new ventures with successful raising of the necessary capital from investors or alternative debt or farm-in funding arrangements. There is no guarantee that the Company will be able to raise sufficient money to finance its oil and gas exploration plans, or if it is able to raise sufficient money, on favourable terms. If the Company is not able to raise sufficient money, then it may have to sell some or all of its assets to fund its outstanding liabilities, adjust its exploration plans and seek to extend the due date for repayment or subject to approval of shareholders convert the remaining liabilities to the Directors into equity.

Exploration and development risk

The business of oil and gas exploration, development and production, by its nature, contains elements of significant risk with no guarantee of success. Continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development, production, transportation and storage infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration, appraisal and development programmes depends on successful exploration and establishment of production facilities. Factors including costs, recoverable reserves, reservoirs, oil and/or gas flow rates in commercial and sustainable volume, migration of fines to the wellbore hindering continuous and sustainable flow of oil, damages to the wellbore, availability of equipment, any incidental loss of tools in the wellbore and oil and gas prices affects successful project development and operations.

Licence Work Commitments Performance

Under the exploration licences and certain other contractual arrangements to which the Company is, or may in the future become, party to, the Company is or may become subject to payment and other obligations. In particular, the licence area holders are required to expend the funds necessary to meet the minimum work commitments attaching to the exploration licences. In the case of SC 44, the Company must expend a minimum of US\$1.175 million to undertake the deepening, completing and testing of NM-1 by the end of the SC 44 period. While the expenditure amount has been satisfied, the licence has expired in September 2020 without the completion and testing being carried out because of the suspension of operations in March 2020 under Force Majeure declaration of the Company when the Philippines Government declared a State of Calamity and imposed border and travel restrictions. The Philippines Government has yet to determine the status of the SC 44 and allow an extension of the licence for the work commitments to be completed.

Environmental impact constraints

The Company's operations are subject to the environmental risks inherent in the oil and gas industry. The Company's exploration, appraisal and development programmes are, in general, subject to approval by government authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking the desired activities.

Exploration and development of any of the Company's licence areas is also dependent on meeting planning and environmental laws and guidelines. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities that could subject the company to extensive liability. The Company is unable to predict the effect of additional environmental laws and regulations (such as laws and regulations designed to address climate change) which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the company to incur significant expenses and undertake significant investments in such respect which could have material adverse effect on the Company's business, financial condition and results of production operations.

Risks of Foreign Operations

The Company operates and invests in the Philippines where there may be a number of associated risks over which it will have no or limited control. This may include economic, social, or political instability or change, nationalisation, expropriation of property without fair compensation, cancellation or modification of contractor rights, hyperinflation, currency non-convertibility or instability, and changes of laws affecting foreign ownership, government participation, royalties, taxation, working conditions, foreign nationals work permits, rates of exchange, exchange control, exploration licencing, export licencing, export duties, government control over product pricing, and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, terrorism, guerrilla activities and insurrections.

The Company's operations may also be adversely affected by laws and policies of Australia affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its operations the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia or enforcing Australian judgments in foreign jurisdictions.

Volatility of Prices of Oil and Gas

The demand for, and price of, oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by the governments and major oil and gas corporations and global economic and political developments. International prices of oil and gas fluctuate and at times the fluctuations can be quite wide. If the Company is able to develop its oil and gas assets to a production stage, then fluctuations in the prices of oil and gas could have a significant impact on the economic viability of its assets, and the cash flow of the Company generally.

Taxation

The Company, its advisors and officers do not accept any responsibility or liability for any taxation consequences to the holders of New Shares. It is solely the responsibility of

individual Shareholders to inform themselves of their taxation position resulting from the investment in New Shares under this Offer Document.

Taxation obligations can vary depending on the circumstances of each individual Shareholder, the particular circumstances relating to his or her holdings of securities, and the taxation laws applicable to Shareholders as residents of different jurisdictions.

The acquisition and disposal of New Shares may have taxation consequences which will differ depending on the specific financial and personal circumstances of each Shareholder. Shareholders should consult their own professional advisors on the taxation implications of investing in the New Shares as it relates to them.

Changes in taxation law and its application may adversely affect the operations and business of the Company

General economic climate

The Company's future revenues and operating costs can be affected by such factors as supply and demand for goods and services, industrial disruption, interest rates, currency fluctuation, inflation and global economic conditions or events. Accordingly, the future profitability of the Company and Share prices may be affected by these factors. These factors are beyond the control of the Company.

Share market

The market price of Shares may be subject to general movements in local and international stock exchanges, economic conditions, currency fluctuations and interest rates. The New Shares may trade at a price above or below the issue price depending on a range of factors including the performance of the market generally; the performance of the oil and gas sector of the market; national and international economic performance; market perceptions of the Company; and the degree of success in the Company's exploration endeavours; and the financial performance of the Company.

Insurance

The Company maintains insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the assets and nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Key management risk

To a large extent the Company depends on the services of its senior management. The loss of the services of any of the senior management team could have a negative impact on the Company's operations. The Company does not maintain or plan to obtain for the benefit of the Company any insurance against the loss of these individuals.

7. Additional information

7.1 General

This Offer Booklet is dated 19 May 2021.

This Offer Booklet and the Entitlement and Acceptance Form have been prepared by the Company.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer.

7.2 Status of Offer Booklet

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company. They do not contain all the information which would be required to be disclosed in a prospectus.

7.3 Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning the Entitlement and Acceptance Form.

7.4 Litigation

So far as the Company is aware, other than the legal proceedings in France in relation to the St Griede Permit, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

7.5 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

7.6 Governing law

This Offer Booklet and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law of New South Wales, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.7 Taxation

Eligible Shareholders should be aware that there may be taxation implications of participating in the Entitlement Offer. Eligible Shareholders should consult a professional taxation adviser to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances. Neither the Company, nor any of its Directors, officers, employees, agents or advisers accepts any liability or responsibility with respect to taxation consequences connected with participating in the Entitlement Offer.

7.8 Alteration of terms

The Company reserves the right, at its discretion, to vary all or part of the Entitlement Offer at any time, subject to the Corporations Act and ASX Listing Rules and any other law or regulation to which the Company is subject.

7.9 Underwriting

The Company has entered into an underwriting agreement with the Underwriters, being entities associated with the Directors; Dennis Morton (Budside Pty Ltd), Patrick Sam Yue (Oni Design Pty Ltd) and David Munns (TD International S.A.), dated 19 May 2021 (**Underwriting Agreement**), pursuant to which the Underwriters have agreed to fully underwrite the Entitlement Offer. Individually, the Underwriters have agreed to underwrite up to the following amounts:

- \$1,810,000 by Budside Pty Ltd;
- \$2,073,653 by Oni Design Pty Ltd; and
- \$2,250,000 by TD International S.A.,

by procuring Applications for any New Shares that are not subscribed for by Eligible Shareholders pursuant to the Entitlement Offer. The Underwriting Agreement allows the Underwriters to set-off the consideration payable for the Shortfall Shares against any outstanding loans and amounts owed by the Company to the Underwriters or their associates.

The Company has agreed to pay to each Underwriter a fee of 6% of their respective underwritten amount, less the amount that would have been payable had that Underwriter (and their associates) subscribed for their Entitlement in full or, in the case of David Munns, the Shares he and his associates would have been entitled to if they were Eligible Shareholders (**Underwriting Fee**). The maximum total Underwriting Fee is approximately \$297,283, being \$70,148 for Budside Pty Ltd, \$103,073 for Oni Design Pty Ltd and \$124,062 for TD International S.A. and will be payable if there is no participation from Non-Director Eligible Shareholders. The minimum total Underwriting Fee is approximately \$2,438 divided equally between the Underwriters and will be payable if all Non-Director Eligible Shareholders take up their Entitlements in full.

The Underwriting Agreement contains various representations, warranties, indemnities and undertakings in favour of the Underwriters that are not unusual for an underwriting arrangement of this sort. In particular, the Underwriting Agreement contains various

representations and warranties by the Company relating to the Company and its business. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods.

The obligation of the Underwriters to underwrite the Entitlement Offer is conditional on customary conditions including, amongst others, the dispatch of this Offer Booklet and certain events not occurring during the period the Entitlement Offer is open.

The Underwriters are related parties of the Company by virtue of being associates of the Directors. The Company has carefully considered the terms of the Underwriting Agreement and is of the view that it is made on terms which would be reasonable in the circumstances if the Company was dealing with the Underwriters at arm's length.

The Company intends to issue the underwritten Shortfall Shares to the Underwriters on 7 July 2021, subject to the applicable timeframes under the Corporations Act and the Listing Rules.

Summary of Termination Events

If certain events occur, an Underwriter has the right to terminate the Underwriting Agreement with respect to itself, in which case the Entitlement Offer will no longer be fully underwritten, and each remaining Underwriter will contribute up to the maximum amount they have agreed to underwrite pursuant to the Underwriting Agreement. In summary, these termination events include:

- (a) ***(material breach)** the Company fails to perform or observe a material obligation under the Underwriting Agreement or breaches a warranty representation or undertaking which cannot be remedied or has a material adverse effect on the Company or Entitlement Offer;
- (b) ***(contravention)** the Company contravenes any law, ruling, consent, judgment or order, or its constitution or an encumbrance;
- (c) ***(hostilities)** hostilities not presently existing commence (whether war has been declared or not), or a major escalation in existing hostilities occurs involving any one or more of countries specified within the Underwriting Agreement, or a major terrorist act is perpetrated anywhere in the world;
- (d) **(misrepresentation)** any Entitlement Offer document is or becomes false, misleading or deceptive;
- (e) **(regulatory intervention)** ASIC, ASX, the Takeovers Panel, or any like regulatory body commences an investigation into the Company, a subsidiary, the Entitlement Offer or Underwriting Agreement and in the case of the Takeovers Panel, it makes a declaration of unacceptable circumstances or indicates an intention to do so;
- (f) **(withdrawal)** the Company withdraws the Entitlement Offer;
- (g) **(certificate)** failure to furnish a certificate or notice that should have been furnished under the Underwriting Agreement, or if such certificate or notice is materially untrue, incorrect or misleading or deceptive;
- (h) **(listing)** ASX announces that the Company will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX;

- (i) **(ASX approval)** unconditional approval by the ASX for official quotation of the New Shares is refused or not granted by the issue date; and
- (j) **(insolvency)** the Company or a related corporate entity becomes insolvent.

If an event marked with an asterisk (*) occurs, the Underwriter may not terminate unless the Underwriter has reasonable grounds to believe that the event has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the Shares, the willingness of investors to subscribe for New Shares (amongst other things), or that the event has, or is likely to give rise to liability of the Underwriter.

7.10 Disclaimer of representations

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required:

- (a) none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the Entitlement Offer Booklet; and
- (b) the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Entitlement Offer Booklet being inaccurate or incomplete in any respect.
- (c) No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

8. Glossary

\$ or **Dollars** means dollars in Australian currency (unless otherwise stated);

Application means an application for New Shares pursuant to this Offer Booklet;

Applicant means an Eligible Shareholder who has submitted an Application;

Application Money means the aggregate amount of money payable for New Shares applied for calculated by multiplying \$0.003 by the number of New Shares subscribed for;

ASIC means the Australian Securities and Investments Commission;

ASTC means ASX Settlement Pty Ltd ACN 008 504 532;

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires;

Board means the Directors as at the date of this Offer Booklet;

CHESS means Clearing House Electronic Sub-register System operated by ASX;

Closing Date means 5:00pm Sydney time on the date specified in the timetable set out in Section 1 of this Offer Booklet of this Offer Booklet or such other date as may be determined by the Directors;

Company or **Gas2Grid** means Gas2Grid Limited ACN 112 138 780;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the directors of the Company;

Eligible Shareholder has the meaning set out in Section 4.3;

Entitlement and Acceptance Form means the form accompanying this Offer Booklet which sets out the entitlements of Eligible Shareholders under the Entitlement Offer;

Entitlement or **Entitlements** means the non-renounceable entitlement for Eligible Shareholders to subscribe for New Shares on the basis of 1 New Share for every 1 Share held on the Record Date;

Ineligible Shareholders means any Shareholder who is not an Eligible Shareholder;

Issue Price means \$0.003 per New Share;

Listing Rules means the official listing rules of ASX Limited, as amended from time to time;

New Share or **New Shares** means a new fully paid ordinary share in the capital of the Company to be issued pursuant to the Entitlement Offer;

NM-1 has the meaning given to that term in Section 3;

Non-Director Eligible Shareholder means an Eligible Shareholder that is not a Director or an associate of a Director;

Offer or **Entitlement Offer** means the offer of New Shares set out in this Offer Booklet;

Offer Booklet means this offer booklet dated 19 May 2021 and includes any amended or replacement summary document;

Record Date means 7:00pm Sydney time on the date specified in the timetable set out in Section 1 of this Offer Booklet;

Registered Address means, in respect of a Shareholder, the address that is recorded in the Company's share register as being the address for the Shareholder;

SC 44 has the meaning given to that term in Section 3.1;

Share Registry means Next Registries, a division of Nexia Sydney Pty Ltd ABN 50 606 785 219;

Shareholder means a holder of a Share;

Share or **Shares** means a fully paid ordinary share in the capital of the Company;

Shortfall means the extent to which Eligible Shareholders do not subscribe for New Shares pursuant to the Entitlement Offer;

Underwriters means Budside Pty Ltd, Oni Design Pty Ltd and TD International S.A. and **Underwriter** means any one of them;

Underwriting Agreement means the underwriting agreement between the Underwriters and the Company dated 19 May 2021, as summarised in Section 7.9; and

Voting Power has the meaning given to that term in the Corporations Act.

9. Corporate Directory

Board of Directors and Underwriters

David Munns
(Chairman and Non-executive Director)
Dennis Morton
(Managing Director)
Patrick Sam Yue
(Executive Director and Company Secretary)

Lawyers

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

Registered Office in Australia

Suite 22, Level 5
58 Pitt Street
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Telephone: +61 2 9241 1927
Email: office@gas2grid.com
Website: www.gas2grid.com
ASX code: GGX

Share Registry

Next Registries
Level 16, 1 Market Street
SYDNEY NSW 2000

Tel: +61 8 9481 3188
Fax : +61 2 9251 7138
Email: mail@nextregistries.com.au