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

INTERIM REPORT
31 DECEMBER 2021

GAS2GRID Limited ABN 46 112 138 780
Interim Report – 31 December 2021

Contents

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 2021 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

Company Secretary
Patrick W V M Sam Yue

Registered Office
Suite 22 Level 5
58 Pitt Street

Sydney NSW 2000
Telephone: 61 2 9241 1927
Email: office@gas2grid.com

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

Website
www.gas2grid.com

Home Stock Exchange
ASX Limited
Exchange Centre
20 Bridge St
Sydney NSW 2000

ASX Code: GGX

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

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

EXPLORATION

PHILIPPINES

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

The Company is preparing a submission for arbitration at the International Chamber of Commerce ("**ICC**") with respect to the termination of Service Contract 44 ("SC 44") by the Department of Energy ("DOE") in June 2021 on grounds disputed by the Company.

Background

On the 1st June, 2021 the Company received from the DOE a letter which stated " … the Department is hereby effectively terminating Service Contract for failure of G2G to comply with all requirements set forth in the extension of the Technical Moratorium."

That decision was made disregarding the social environment that has prevailed in Philippines since March 2020 when the Covid-19 pandemic and a State of Calamity were declared which caused the Company to suspend its operations for health and safety reasons and rightfully invoking Force Majeure under the terms of the SC 44. The Company had also requested an extension of time to be able to satisfy the requirement under the Technical Moratorium extension of deepening the Nuevo Malolos-1 well for production testing. The Company's Rig 2 has remained on site to be able to recommence activities once access and travel are allowed. Access to the site has not been possible andthe international borders in Australia and Philippines have been closed/restraint until recently in 2022.

A Company request for the DOE to reconsider its decision resulted in a letter on 27th September, 2021 reiterating its earlier decision to terminate SC 44.

SC 44 provides procedures for settlement of disputes in connection with the performance or interpretation of any provision of SC 44. Those procedures require the parties to first attempt settlement amicably any disputes through consultation before arbitration is sought. SC 44 provides that arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**"). The Company invited the DOE to discuss the possibility of amicably settling the matter. The DOE failed to respond to this request. The Company is therefore initiating arbitration proceedings at the ICC.

FRANCE

Legal Claim on unlawful non-renewal by the French Government of ST. GRIEDE (100% working interest), Onshore Aquitaine Basin

In early January 2020, the Company lodged at the Pau Tribunal, France, a claim of €34.35 million (A$53.77 million at 31 December 2021 exchange rate) for compensation against the French Government. This claim is in respect to the damages caused by the French Government in refusing, unlawfully as ruled by the French Courts, to renew the St Griede conventional hydrocarbon explorationpermit in accordance with the prevailing mining law.

The Company has submitted its final statements to the Tribunal on the 26th November, 2021, the final deadline for all parties and is awaiting for the Tribunal to nominate a date for the hearing in order to make its decision on the claim.

The decision on the appeal lodged with the Conseil d'Etat in late June 2021 by the Company is still awaited. The appeal is in respect of an adverse decision to the Company handed down by the Court of Appeal of

Bordeaux on 15th December, 2020 in appeal proceedings exercised by the French Government on 10th September, 2018 after payment in August 2018 to the Company of penalties of €383,500 imposed by the Pau Tribunal on 5th July, 2018.

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

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 decided not to grant the renewal. The Company initiated an action 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 3rd November, 2016. The Tribunal also ruled for a financial penalty on the French Government of €3,000 for each day after 3rd December, 2016 that the grant of the permit extension is delayed. Eventually in July 2018, the Tribunal imposed on the French Government penalties and costs totalling €414,400 (approximately A$626,550) that were paid to the Company in August 2018. The French Government subsequently appealed in September 2018 against the penalties of €383,500 that has been paid and the Appeal Court of Bordeaux handed a decision in favour of the French Government in December 2020. In June 2021 the Company appealed that decision with the Conseil D'Etat and the decision is awaited.

On 3rdJanuary, 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 23rd December, 2017 the French Government issued a decree extending the St. Griede licence up until 31st 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 5th March, 2019 in favour of the Company 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 IN QUEENSLAND, AUSTRALIA

After an extended search for projects that has potential to elevate the Company's operations in an environment of lesser sovereign risks and close to ready market for production of oil and gas, the Company executed on 22nd November, 2021 a non-binding Heads of Agreement ("HoA") with ASX listed Armour Energy (ASX:AJQ) ("AJQ") to fund seismic and drilling activities in selected AJQ's Surat Basin, Queensland licences in order to acquire in two separate transactions a 50% participating interest in each of:

- **Riverside Farmin Block;** and
- **Myall-Bainbilla Farmin Block**.

The parties have been preparing the binding agreements which may soon be executed. If these activities are successful it may result in two gas wells being produced into the existing infrastructure and gas sales commencing in the second half of 2022.

The AJQ assets subject to the HoA are located in the western Surat Basin near the town of Surat. The licences subject to the farmin activity include PL22, PL53, PL227, ATP647 and part of PL 511, excluding existing production wells and infrastructure.

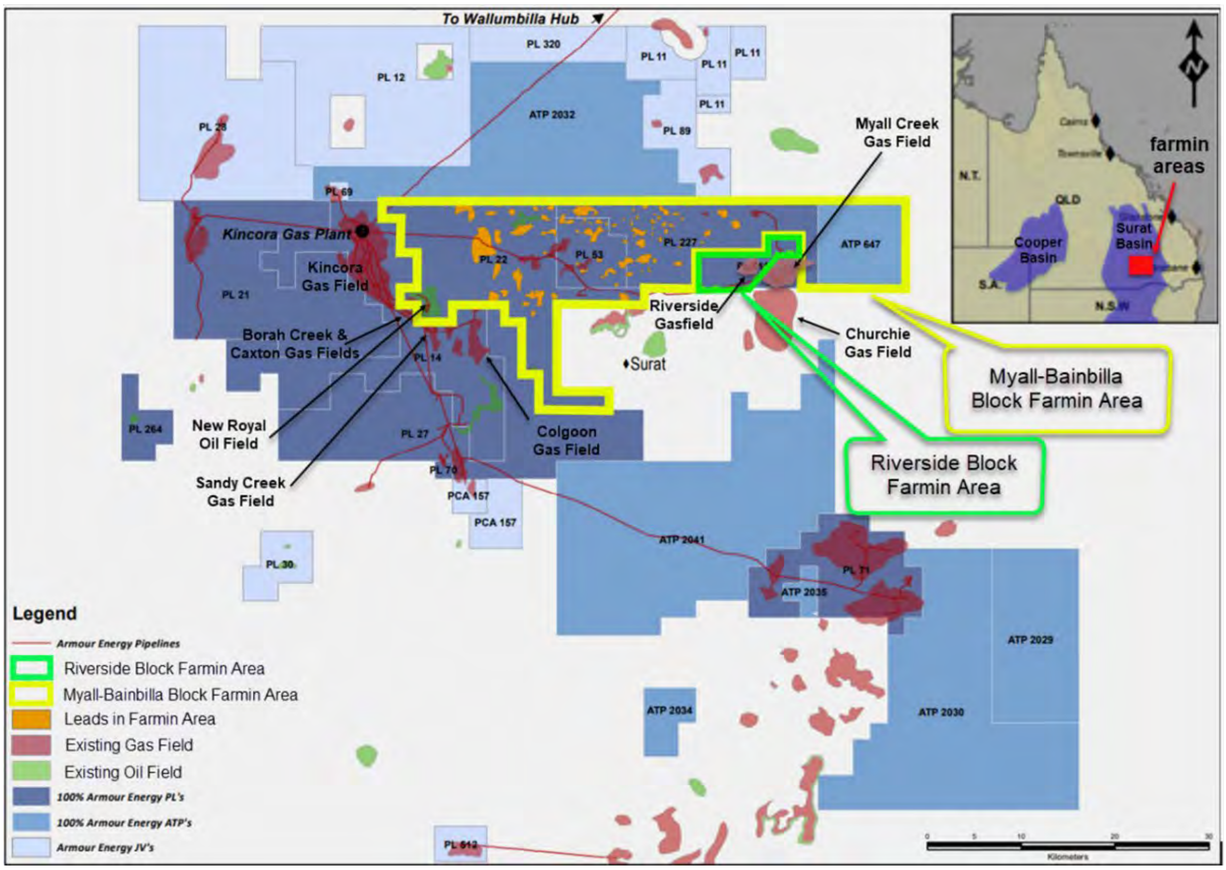


Figure 1: Location of proposed Farmin Areas in Surat Basin in QLD

1. Riverside Farmin Block (part of PR 511)

Riverside-1 (1997) was drilled on the Riverside Anticline and intersected gas bearing sandstones in the Permian age Tinowon Formation – the well kicked and flowed gas to surface before the gas flow was killed by pumping heavy weight mud into the hole. This procedure caused formation damage.

An open hole DST-1 conducted after the uncontrolled gas flow was brought under control. That test resulted in gas flowing to surface at the rate of 836 Mcfd. Riverside-1 was suspended as a future Tinowon Formation gas production well with 140 mm production casing run to 2,100 m. The well was placed in production for a couple of short periods of trial production. The well was last tested at 60 Mcfd at a WHFP of 800 psi in March, 2020.

Riverside-1 might increase sustainable gas flow rates after being treated with a fracture stimulation over the gas bearing reservoirs. This operation is also under consideration. Gas was also encountered in basement – Timbury Hills Formation.

No gas water contact is interpreted in Riverside-1 giving a Lowest Known Gas of 1,805.2 m (Sub-Sea) for the Tinowon Formation and 1,812.4 m (SS) for the Timbury Hills Formation.

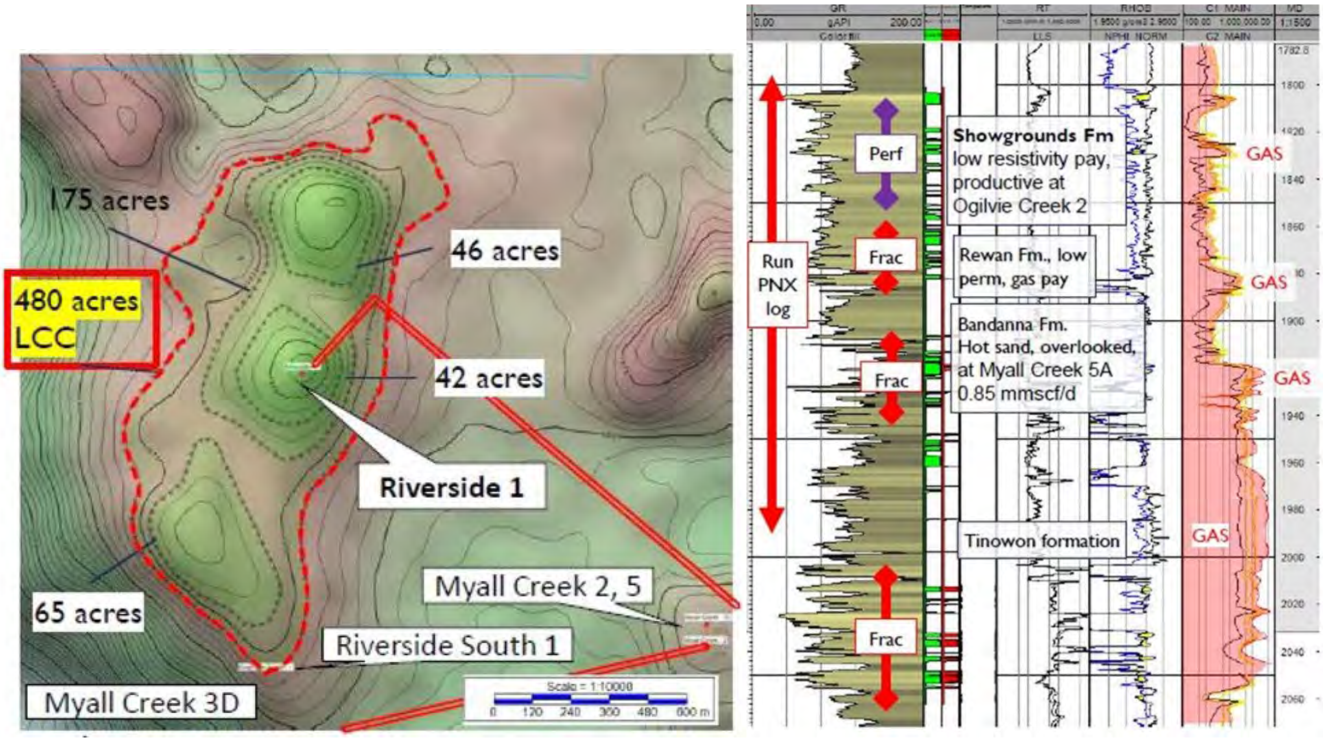


Figure 2: Riverside Gas Field - Summary

The Riverside Gas Field was later covered by a 3D seismic survey and mapping of these data led to an interpreted 480 acres of closure – a reasonable sized structure. The Company will fund the drilling of one well Riverside North-1 considered as an appraisal well for gas production to basement which will be located on the northern structural high.

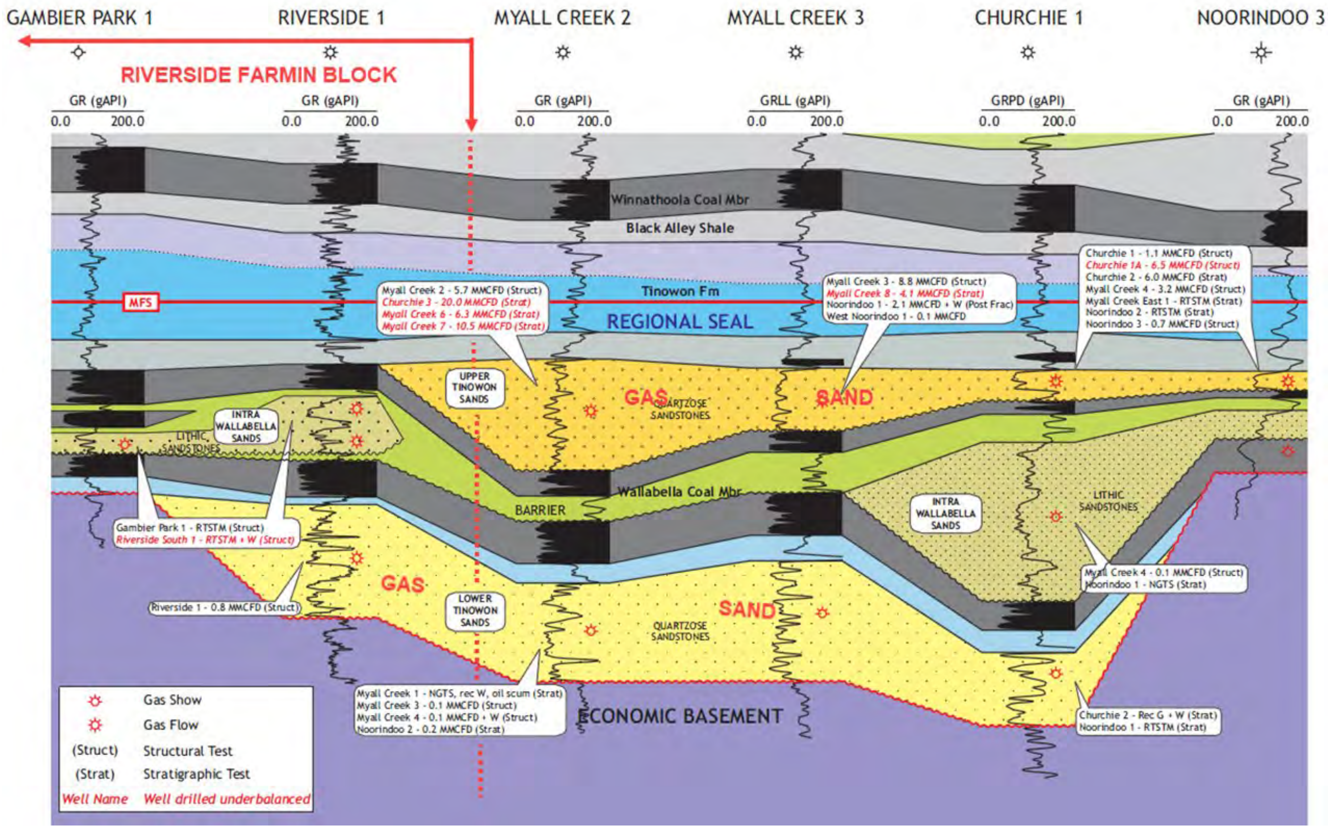


Figure 3: Distribution of Permian Age Gas Reservoirs

The Company will also fund a two stage fracture stimulation of the gas bearing sandstones in either of Riverside-1 or Riverside North-1 and that well to be also placed into gas production.

The drilling of Riverside North-1 and the fracture stimulation of either Riverside-1 or Riverside North-1 offers a relatively low risk and low cost opportunity to produce gas in close proximity to existing, under-utilised gas pipeline and processing infrastructure at a time when natural gas prices are very high in Australia.

2. Myall-Bainbilla Farmin Block (PL22, PL53, PL227, ATP 647)

The Company's technical executives interpret excellent exploration potential for oil and gas to be trapped both structurally and stratigraphically within Permian, Triassic and Jurassic age sandstone reservoirs sited within these licences. Little new exploration drilling has been conducted in these licences since the 1990s.

There is an existing 3D seismic survey coverage over the existing, large, Myall Creek-Churchie Gas Field. This gas field has produced about 50 BCF gas mainly from Permian age sandstones of the Tinowon Formation. Stratigraphic trapping plays a major part in this gas field. There is also extensive 3D seismic coverage of the immediately surrounding areas, with part of those surveys also covering the licences subject of this AJQ farmin transaction.

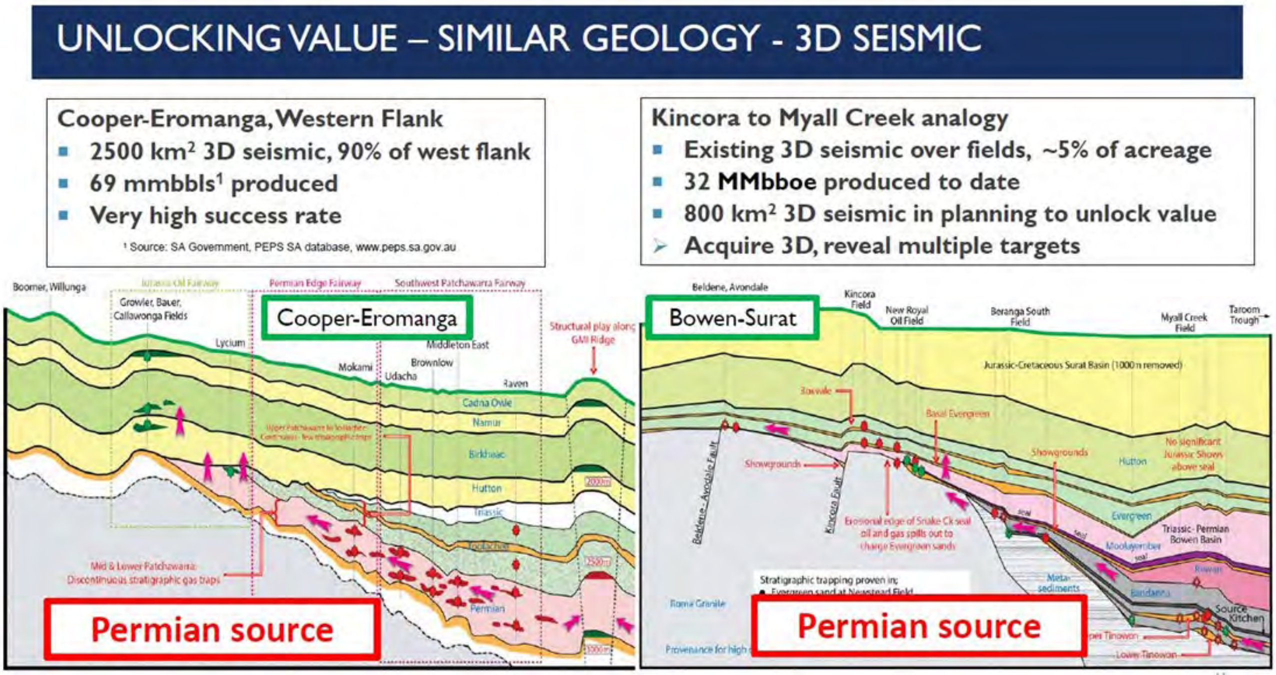


Figure 4: Exploration Play Concept

Seismic processing of these data, focusing on seismic inversion, has highlighted areas indicative of better quality gas filled reservoirs that have not yet been drilled. These conclusions have been drawn after comparing the processed seismic data characteristics with known gas production. There appears to be a general relationship between seismic inversion character, known good sandstone reservoir development and gas production.

Part of the farmin arrangement provides for the Company to fund processing the complete 3D data set within the farmin area with a focus on seismic inversion. The aim of this work is to highlight areas that could possibly contain good quality sandstone reservoirs which are gas charged and structural/stratigraphically trapped.

Following completion of the seismic reprocessing the Company will fund the drilling to basement of an exploration well to test for natural gas, and if economic, run production casing.

The Company will also fully fund the acquisition and processing of 100 sq kms of new 3D seismic data and also 50% of the costs for an additional 148 sq kms 3D seismic data – all to be acquired in the one survey.

The aim of this work is to locate new structural and stratigraphic drilling targets. The Company will also fully fund the drilling to basement of an exploration well to test one of the newly delineated exploration targets, and if economic, run production casing.

The work program will be conducted over the next few years with the timing is outlined below. The cost to complete this work will be subject to tender cost and finalisation of budgets but could be in excess of $12 million.

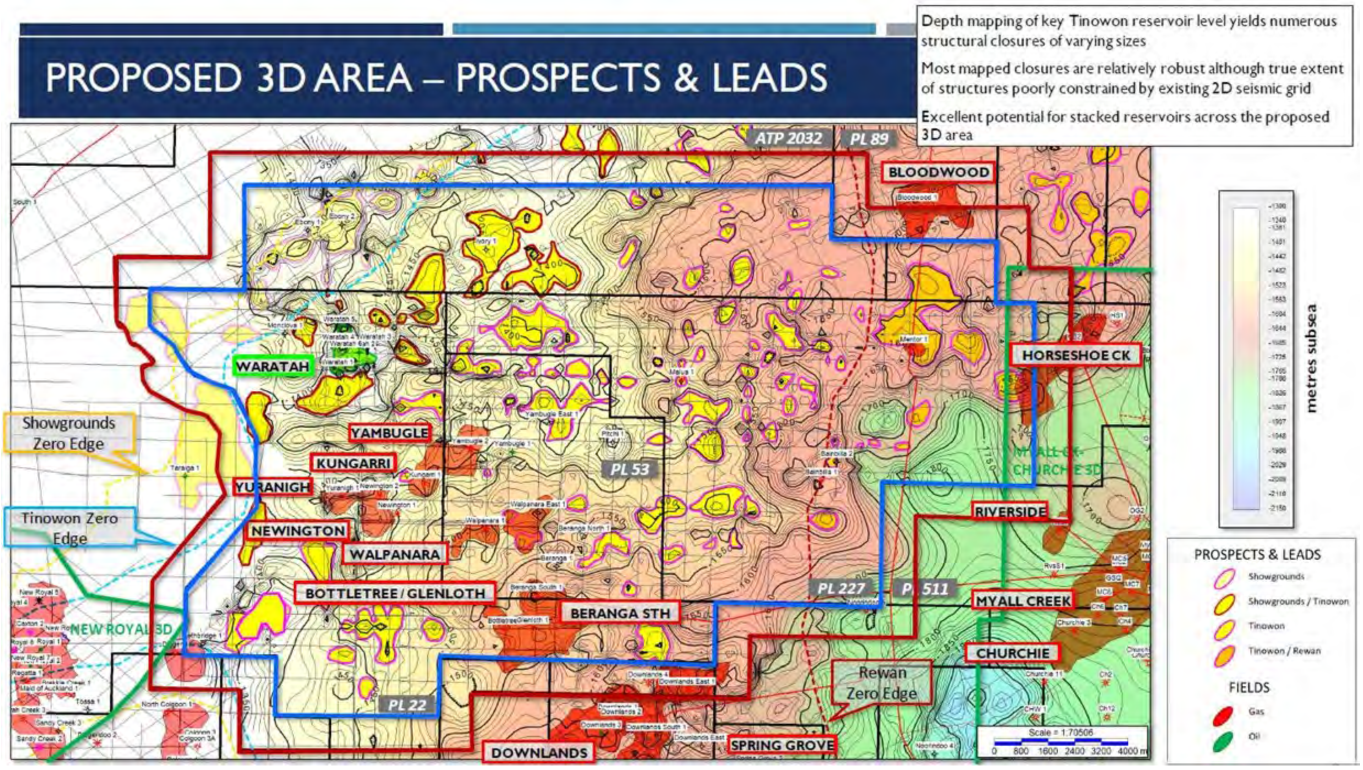
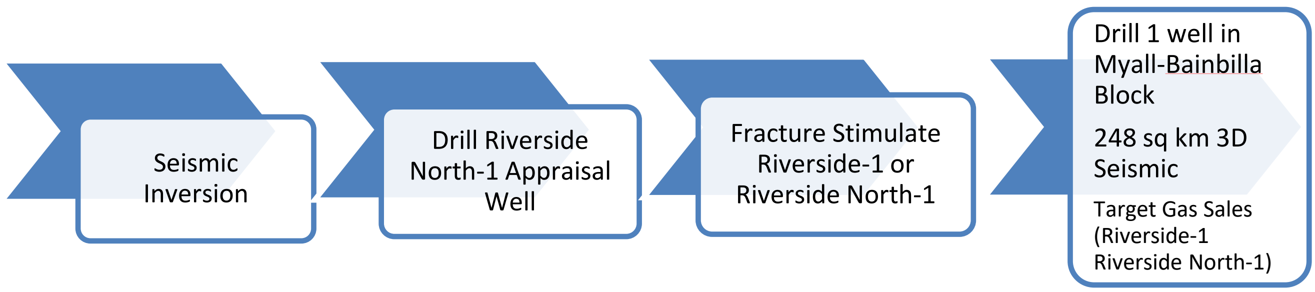


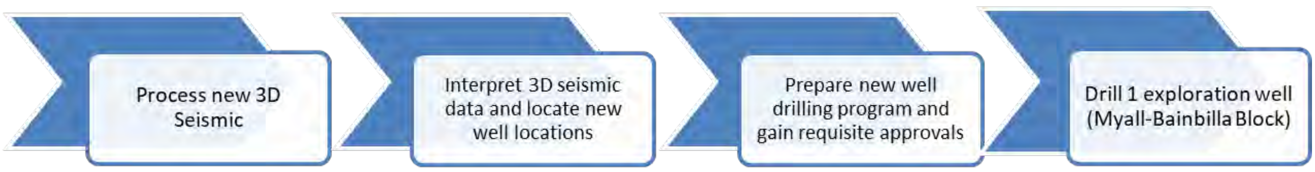
Figure 5: 3D Seismic Survey – Concept Plan

The western Surat Basin is an area that the Managing Director and another technical executive, were previously part of the teams that discovered and developed many of the existing oil and gas fields. They are returning to this very attractive appraisal and exploration area at a time when natural gas and oil prices are very high and will be employing modern 3D seismic coverage to increase the chances for success. Application of 3D seismic surveys has, in the recent decade, been successfully employed in mature areas of the Cooper Basin resulting in numerous oil and gas discoveries. The aim will be to replicate this technical success in the Surat Basin.

2022



2023



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

On 1 July 2021, the Company closed the fully underwritten 1 for 1 pro-rata non-renounceable entitlement offer which was launched in May 2021. The offer was fully underwritten by the Directors' associates up to an amount of $6,133,653. Eligible shareholders subscribed for 52,935,004 shares raising $158,805 which were applied to the costs of the offer. The underwriters took up all the shortfall shares totalling 1,991,616,035 shares for a total amount of $5,974,848 which have been applied to the repayment of loans from, and amounts owing to the underwriters and their associates.

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 2021.

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 2021 was $361,311 (2020: loss $1,230,340).

Review of Operations

A review of operations for the half-year ended 31 December 2021 is set out on pages 2 to 9.

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 11 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

15 March 2022

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

15 March 2022

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 2021, 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 LTD
(An Authorised Audit Company)

Martin Michalik
Director

	Half-year	
	2021	**2020**
	$	**$**
Interest and other income	104	64
Administration expense	(80,085)	(47,390)
Auditor's remuneration	(11,864)	(8,145)
Depreciation	(3,857)	(11,413)
Directors and management fees	(120,500)	(135,500)
Finance costs	-	(315,848)
Foreign exchange (losses)/gains	(5,383)	4,688
Impairment of exploration and evaluation expenditure	-	(39,835)
Insurance costs	(13,565)	(11,294)
Licences renewal costs	(15,537)	(18,771)
Listing and registry fees	(56,061)	(16,286)
Projects costs	(45,000)	-
Provision for refund of penalties received	-	(625,000)
Rental expenses	(9,563)	(5,610)
Loss before income tax	(361,311)	(1,230,340)
Income tax expense	-	-
Loss from continuing operations	(361,311)	(1,230,340)
Other comprehensive income	-	-
Other comprehensive income for the half-year, net of tax		-
Total comprehensive loss for the half-year	(361,311)	(1,230,340)
Loss for the half-year attributable to the owners of Gas2Grid Limited	(361,311)	(1,230,340)
Total comprehensive loss for the half-year attributable to owners of Gas2Grid Limited	(361,311)	(1,230,340)
	Cents	**Cents**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:		
Basic and diluted loss per share	(0.01)	(0.09)

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

	Note	31 DECEMBER 2021 $	30 JUNE 2021 $
ASSETS			
Current assets			
Cash and cash equivalents		1,843,549	2,293,420
Trade and other receivables		13,388	18,846
Other assets		10,393	20,424
Total current assets		1,867,330	2,332,690
Non-current assets			
Plant and equipment		-	99
Right of use assets		-	3,738
Total non-current assets		-	3,837
Total assets		1,867,330	2,336,527
LIABILITIES			
Current liabilities			
Trade and other payables		736,915	7,397,445
Lease liabilities		-	3,880
Borrowings	9	-	5,100,149
Provisions	7	815,945	822,200
Total current liabilities		1,552,860	13,323,674
Non-current liabilities			
Trade and other payables	8	4,099,641	-
Borrowings	9	1,434,375	-
Total non-current liabilities		5,534,016	-
Total liabilities		7,086,876	13,323,674
Net liabilities		(5,219,546)	(10,987,147)
EQUITY			
Contributed equity	10	40,911,312	34,782,400
Reserves		319,802	319,802
Accumulated losses		(46,450,660)	(46,089,349)
Total deficit		(5,219,546)	(10,987,147)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Contributed Equity	Accumulated Losses	Reserves	Total Equity
	$	$	$	$
As at 1 July 2020	32,687,607	(44,154,682)	319,802	(11,147,273)
Total comprehensive loss for the half-year	-	(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)
As at 1 July 2021	34,782,400	(46,089,349)	319,802	(10,987,147)
Total comprehensive loss for the half-year	-	(361,311)	-	(361,311)
Transactions with owners in their capacity as owners:				
Contribution of equity, net of transaction costs	6,128,912	-	-	6,128,912
As at 31 December 2021	40,911,312	(46,450,660)	319,802	(5,219,546)

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 2021

	Half-year	
	31 December 2021	**31 December 2020**
	$	**$**
Cash flows from operating activities		
Interest received	104	64
Payments to suppliers and employees	(479,575)	(68,383)
Net cash (outflow) from operating activities	(479,471)	(68,319)
Cash flows from investing activities		
Payments for exploration expenditure	-	(48,088)
Net cash (outflow) from investing activities	-	(48,088)
Cash flows from financing activities		
Proceeds from issue of shares	158,805	-
Proceeds from sale of treasury shares	-	69,500
Share transaction costs	(128,939)	(6,446)
Payments for lease liabilities	-	(23,400)
Net cash inflow from financing activities	29,866	39,654
Net (decrease) in cash and cash equivalents	(449,605)	(76,753)
Cash and cash equivalents at the beginning of the half-year	2,293,420	310,994
Effects of exchange rate changes on cash and cash equivalents	(266)	(1,527)
Cash and cash equivalents at the end of the half-year	1,843,549	232,714

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 which during the half year have been under suspension because of Force Majeure arising from Covid-19 related travel restrictions and the Service Contract 44 was cancelled by the Philippines Government. The Group has been negotiating for the extension of the Service Contract 44 and terms to farmin new oil and gas assets in Australia.

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 2021 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 2021 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 15 March 2022.

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 2021.

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 events

Significant events during the period are set out in the Operations Review on pages 2 to 9.

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 2021.

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 2021 the Group had net liabilities of $5,219,546 (30 June 2021: 10,987,147) including $1,434,375 (30 June 2021:$5,100,149) in Directors' loans and $4,099,641 (30 June 2021: $6,522,996) in unpaid Directors' fees, underwriting fees, and finance charges that fall due for repayment on 16 April 2023. The Group has made a loss of $361,311 (31 December 2020: loss $1,230,340) for the half-year ended 31 December 2021.

To undertake exploration and appraisal activities in Philippines, protect the investment made in the St Griede permit in France and acquire new ventures in Australia while the Group has no revenue producing assets, the Group requires regular injection of funds.

The continuing ability of the Group to continue as a going concern and to undertake exploration activities and repay Directors' loans, outstanding fees and finance charges 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 2023. The undrawn amount on these loans is $3,599,851 at 31 December 2021 and is able to be drawn upon in the short term.

- If required, management will negotiate to extend the maturity terms of the loan facilities and the accounts payable to the Directors beyond the current maturity date on 16 April 2023.

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 2021. 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.

7. Provisions – Current

	31 December 2021 $	30 June 2021 $
Provision for rehabilitation	200,000	200,000
Provision for refund of penalties received	615,945	622,200
	815,845	822,200

The provision for rehabilitation of exploration areas relates to three wells in SC 44 that remain to be plugged and abandoned.

The provision for refund of penalties received is for €383,500 received in August 2018 by the Company from the French Government following a Pau Tribunal judgement on 5 July 2018. The judgement was subsequently annulled in December 2020 by the Court of Appeal of Bordeaux following an appeal by the French Government in September 2018 after they have paid the penalties. In June 2021, the Company lodged an appeal with the Conseil d'Etat in France against that annulment and pending a decision the Company considers it prudent to make a provision for this amount.

8. Trade and other payables – Non-current

	31 December 2021 $	30 June 2021 $
Fees payable to Directors (including GST)	1,077,939	-
Accrued interest on fees payable to Directors	285,813	-
Accrued interest on loans from Directors	2,253,389	-
Accrued establishment fees on Directors' loans	482,500	-
	4,099,641	-

At 31 December 2021, Directors and their related entities have agreed for the amounts owing to them at balance date to be settled on 16 April 2023 (settlement was on 16 April 2022 at 30 June 2021) or earlier at the Company's option. No Interest is payable on the amounts owing from 1 July 2021.

9. Borrowings

	31 December 2021 $	30 June 2021 $
Current		
Loans from Directors' related entities	-	5,100,149
Non-current		
Loans from Directors' related entities	1,434,375	-

The expiry date of the unsecured loan facilities from Directors' related entities totalling $5,034,226 (30 June 2021: $8,700,000) at balance date was extended during the period from 16 April 2022 to 16 April 2023 and no interest is payable on amounts drawn under the facilities from 1 July 2021. The loan facilities of $8,700,000 at 30 June 2021 were reduced during the half-year to $5,034,226 at balance date by drawn loan amounts which have been repaid through the Directors' shortfall underwriting of the non-renounceable entitlement offer of shares in July 2021. Loan amounts repaid are no longer drawable under the loan facilities agreements.

10. Contributed equity

	Number shares	$
At beginning of period	2,044,551,039	34,782,400
Movement during the half-year:		
Issue of shares under 1:1 pro-rata non-renounceable entitlement offer		
- for cash	52,935,004	158,805
- to underwriters as repayment of loans	1,991,616,035	5,974,848
Transaction costs	-	(4,741)
At end of period	4,089,102,078	40,911,312

At balance date there were 31,000,000 shares issued under EIP with non-recourse loans outstanding on these shares of $220,000.

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 is pursuing a legal claim in 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	
	2021 $	2020 $	2021 $	2020 $	31 Dec 2021 $	30 Jun 2021 $	31 Dec 2021 $	30 Jun 2021 $
Australia	104	64	(345,774)	(546,734)	1,851,182	2,335,327	5,782,187	11.999.339
France	-	-	-	(625,000)	-	-	615,945	634.711
Philippines	-	-	(15,537)	(58,606)	16,148	1.200	688,744	689.627
Consolidated	104	64	(361,311)	(1,230,340)	1,867,330	2,336,527	7,086,876	13,323,677

12. Contingent liabilities

The Group did not have any contingent liabilities as at 31 December 2021.

13. Events occurring after the reporting period

There has not arisen in the interval since 31 December 2021 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.

In the Directors' opinion:

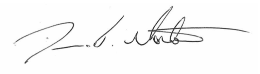
(a) the interim financial statements and notes set out on pages 12 to 19 are in accordance with the *Corporations Act 2001*, including:

(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 2021 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: 15 March 2022

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

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 statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising 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 Gas2Grid Limited's financial position as at 31 December 2021 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 Consolidated entity 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 Consolidated entity on 15 March 2022.

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 $1,867,330 including total cash of $1,843,549, current liabilities of $1,552,860, non-current liabilities of $5,534,016 and has incurred a net loss of $361,311 in the period ended 31 December 2021.

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 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 Company's financial position as at 31 December 2021 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
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
15 March 2022