



25 November 2022

ASX Market Announcements

Managing Director Address to 2022 Annual General Meeting

25th November, 2022

Dear Shareholders,

The 2022 financial year has seen a turnaround for business with sanctions imposed by Governments as the result of the Covid-19 pandemic being lifted and the ability, in many jurisdictions, to return to work.

Over the last decade there have been either extensive restrictions or complete cancellation of business in the fossil fuel sector as Governments, ably abided by the media, NGOs and the financial sector, demonised exploration and production activities for coal, natural gas, and crude oil. These same commodities have, for over 150 years, provided a low cost supply of reliable energy and underpinned the successful development of the World and freed people from poverty and hunger.

The maniacal pursuit by Government of subsidised, intermittent, renewable energy sources has in turn led to the withdrawal or cancellation of long term Government energy plans that underpin investment in fossil fuels. This has directly led to a shortage in supply as new deposits have not been discovered and brought into production.

Unfortunately, all the implemented renewable energy transition plans have failed to replace what has been for over 150 years a reliable source of affordable base load energy – simply witness supply issues and increasing energy prices that have resulted in Europe (particularly Germany and the UK) and how the same situation is now also happening before our very eyes here in Australia.

The war in Ukraine is commonly used by Government and the media as the reason for the lack of supply and ever increasing cost of what is now unreliable and under sourced energy supplies in Europe, North America and Australia. That excuse is a “red herring”. Energy supply reliability and high prices were already present well before Russia invaded Ukraine.

The main causes for the lack of supply are related to:

- there has been an absence of long term energy policy for the last few decades
- the cancelling of fossil fuels as an acceptable energy source
- Australian State Governments either banning petroleum exploration or reducing areas available in which to explore and delaying their availability through infrequent gazettal

The mindless pursuit of removing carbon dioxide from the atmosphere in attempts to control the Earth's climate without guaranteeing a low cost, reliable energy supply is solely based on an unproven hypothesis promoted by the UN-IPCC and supported by computer derived climate models with predictions that to date have all been wrong.

Governments, the media, NGOs and those with a vested interests in the financial benefits of subsidised action taken by Government have all then promoted the cause.

There has been a complete absence of any civil, scientific debate about these claims made by the UN and IPCC. Those, like me, who have requested the topic be civilly debated in open forum have simply been “cancelled” or labelled as “deniers” or had their personal character publicly attacked.

If the proof is so clear what have the UN-IPCC and others got to lose?

A new Philippine Government under President Ferdinand Marcos Jr. won the recent election and it has now in turn appointed a new administration. This new administration appears to be pro-business is inviting foreign investment, including for the pursuit of oil and gas in the Philippines. This could be a great outcome for the Company.

As you are aware, SC 44 was unlawfully terminated by the previous Philippine Government during a period of Government imposed Covid-19 sanctions. These sanctions legally enforced the Company to terminate its active drilling operations that were underway at that time with the Nuevo Malolos-1 Deepening.

The Company repeatedly requested the Philippine Department of Energy (“DOE”) for the suspension of the service contract under *Force Majeure*, as provided for under the Service Contract terms. The DOE failed to respond to those requests and simply cancelled SC 44.

In conjunction with our Manila based lawyers we had prepared and were ready to submit an application to the International Chamber of Commerce for Arbitration, as provided for under SC 44.

Before the Company lodged that application, we decided that the unjust cancellation of SC 44 be discussed with the new Energy Secretary and his DOE administration.

Our approach was backed by legal information in support of our claim. This process is ongoing and it is welcome news for the company.

In addition, as a direct result of the new Philippine Government welcoming new investment in oil and gas exploration, the Company has been able to enter discussions for new ventures with other companies active in the Philippines. The approach has been to contribute our drilling rig for operations and in return acquire equity in those new projects.

Our €34.5 million financial claim lodged in January, 2020 against the French Government for their unlawful actions against the St. Griede permit and its non-renewal has progressed slowly. Final submissions to the Court closed on the 26th November, 2020 and a hearing date was finally set for the 29th June, 2022.

Unfortunately two days before the scheduled hearing date, the Tribunal, without any reason provided, vacated that date and to date it has not provided a rescheduled hearing. We wait to be advised of the new hearing date, which we are hopeful will occur in financial year 2023.

During the current financial year we were at advanced stages of negotiations with counter parties regarding two farmin opportunities to acquire equity in onshore, oil and gas projects in eastern Australia. Both these opportunities were cancelled for no fault of the Company. We hope to announce participation in some new projects in the near future.

We thank our shareholders for their continued support while we await the French tribunal decision on our claim, a fair decision from the DOE for us to continue exploration in Philippines and we work to acquire new projects in Australia.

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