



ABN 46 112 138 780

2nd January, 2013

PHILIPPINES – OPERATIONS UPDATE Drilling - Workover Progress

SERVICE CONTRACT 44 (100%), Onshore Cebu, Philippines

GUMAMELA-1 - Drilling

As of 9 am Wednesday, 2nd January, 2013 (Sydney DST) Gumamela-1 exploration well was drilling ahead at a depth of 880 metres (2,887 feet) within what is interpreted as the Cebu Limestone without any hydrocarbon shows. Minor thin intervals with interpreted porosity have been intersected. Current operation is drilling ahead to fully evaluate the Cebu Limestone formation.

Since the last report the well was drilled to a depth of 705.6 metres where electric wireline logs were conducted and 7 inch diameter casing was set to a depth of 703.5 metres. Drilling then resumed to the current depth with the interpreted top of the Cebu Limestone intersected within the depth interval 763-784 metres. The lithology above the top Cebu Limestone is marl (calcareous, fine grained lithology – good seal). The lithology of the Cebu Limestone that has been drilled to the current depth consists of mainly tight limestone with interpreted thin porous calcarenite intervals.

Hydrocarbon Shows: No significant hydrocarbon shows have been measured since drilling out of the 7 inch casing. Background gas levels have ranged between 1 - 4 units.

MALOLOS-1 - Workover

As of 9 pm (Sydney, DST), Tuesday 1st January the milling bit assembly had been run into the hole to a depth of 2,187.2 metres (7,180 feet), immediately above the well bore obstruction encountered previously. Milling on this obstruction in an attempt to clean it out of the well bore should commence today. Gas continues to build up in the well bore and it is bled off before commencing operations each day. Rig-1 is working a 12 hour day.

Dennis Morton
Managing Director

Ph: +61-2-8298 3682
dennis@gas2grid.com

Patrick Sam Yue
Director

Ph: +61-2-8298 3668
psy@gas2grid.com

Office:
Level 11; 10 Bridge Street,
Sydney, NSW, 2000
Tel: +61 2 8298 3688 Fax: 8298 3699

P.O. Box R1911
Royal Exchange, 1225
www.gas2grid.com