



c/o Eastern Star Gas
Level 2, 37 Pitt Street
Sydney NSW 2000
Tel: +61 2 9251 5599
Fax: +61 2 9251 3399
Cell: + 61 405 677 149
Email:Gundiroyle@aol.com

9.5.2005

Ms Christine Panetta, Senior Companies Adviser
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Ms Panetta,

Gas2Grid Limited

I am responding to your inquiries in your latter dated the 5.of May, Addressed to Mr Jeremy Shervington.

1. On the 3rd of May, the board of Gas2Grid resolved to issue 25,000,000 ordinary shares and 2,600,000 options.
2. Gould Ralph, the company's registrar confirmed the dispatch of the issuer sponsored holding statements today.
3. Over subscriptions were refunded last week as per bank statement already forwarded to you.
4. **Updated Pro-forma Statement**

Please find set out below the Pro-forma statement adjusted for the over-subscription of \$1,000,000 minus the capital raising costs incurred for the incremental amount.

Pro-forma Balance Sheet	Pro-forma 31 Dec 2004
Current Assets	
Cash Assets	5,209,592
Other	1,331
Total Current Assets	5,210,923
Non-Current Assets	
Exploration and evaluation expenditure	439,481
Exploration Permit	3,787,903
Total Non-Current Assets	4,227,384
Total Assets	9,438,307
Current liabilities	
Payables	14,266
Borrowings	-
Total Current Liabilities	14,266
Total Liabilities	14,266
Net Assets	9,424,041
Equity	
Contributed equity	9,424,041
Retained profits / (accumulated losses)	-
Total Equity	9,424,041

Registered office: Level 2, 1 York Street, Sydney NSW 2000, Australia
A.C.N. 112 138 780



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5. Statement of Commitments Based on Funds Raised

The over-subscription amount of \$1,000,000 will be applied for new ventures or additional work on SC44.

Expenditure Summary	Year 1 and 2
Re-drilling of Malolos1	1,785,000
Appraisal well	1,268,000
Geology and Geophysics	430,000
Administration and running costs	747,000
New ventures or additional work SC44	950,000
Total	5,180,000
Cost of the Issue	550,000
Total	5,730,000

6. Statement of Securities Subject to Escrow

Set out below are the numbers of Ordinary Shares and Options which are subject to escrow provisions.

Ordinary Shares

Promoters and related parties	20,788,539	24 month from date of listing
Unrelated seed investors	3,648,700	12 month from 3.3.2005
Total	24,437,239	

Options

Promoters and related parties	2,600,000	24 month from date of listing
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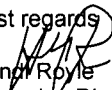
7. Corporate Governance Practice

Please find attached as an enclosure the Company's corporate Governance state which upon listing will also be displayed on the Company's website.

8. Escrow Agreements

I will sent a PDF of the signed escrow statements (alphabetically sorted) by email.

Please advise me if by now your requirements as set out in your letter of the 5th of May are satisfied and which items if any are still missing.

Best regards

Gundir Royle
Managing Director
Gas2Grid Limited

Enclosure