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Mitchell & Partners

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To: ASX Announcements Office	From: Tricia Khoo
Fax: (02) 9227 0339	Date: July 28, 2006
Phone:	Pages: 7 (including this cover sheet)
Re: Gas2Grid Limited	CC:
ASX Code: GGX	

 Urgent

 For Review

 Please Comment

 Please Reply

Dear Sir/Mdm.,

Due to the company experiencing internet connection difficulties, please find attached the company's Appendix 5B for the quarter ended 30 June 2006, for your further action and lodgement.

Yours faithfully,

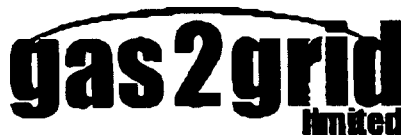
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Chartered Accountants

beyond accounting

Liability limited by a scheme
approved under the
Professional Standards
legislation.

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**ABN 46 112 138 780****GAS2GRID LIMITED**
ABN 46 112 138 780**ACTIVITIES REPORT**
QUARTER ENDED 30 JUNE 2006**PHILIPPINES OPERATIONS – SC 44, Cebu**

During the Quarter the Company mobilized a slick-line unit to test the Maingit sand sequence (2750-2780 feet) through uncemented casing in the Nuevo Malolos-1 well. Swabbing tests of the well, and of the corresponding interval in the adjacent Malolos-1 well, were conducted intermittently over four days during May, and resulted in recoveries of water at relatively low rates, with no traces of hydrocarbons.

The interpretation of the test results remains problematic insofar as the recovered fluids were (on preliminary analysis) relatively fresh, and the measured fluid influx rates were much lower than would be expected for reservoir sands of the quality recovered from coring of the test interval in the Nuevo Malolos well.

Post well analysis is continuing, however there is evidence that the Maingit sandstone encountered in the well was severely damaged during drilling, and the recovered fluids may not originate from that interval. Reservoir engineering analysis suggests that the most likely damage mechanism is "textural re-organization", as was observed in the recovered core.

It is also likely that the deeper sandstone intervals in the well suffered similar damage of this type during the drilling of the well. In view of the fact that a small amount of oil with drilling mud, and no water, was recovered from the Toledo sandstone (6233 ft) in a test through casing during the Nuevo Malolos drilling operations, the merits of re-testing the well using procedures to mitigate the formation damage are under investigation.

With the demonstration from the Nuevo Malolos drilling of the development of quartz rich reservoir quality sandstones over significant depth intervals, and a proven hydrocarbon system, a large area of SC 44 remains prospective for commercial hydrocarbon accumulations.

NEW VENTURES

The Company's application for an exploration licence over an area in a known gas province in western Europe remained in process during the quarter.

The Company continues to evaluate new opportunities in petroliferous provinces in both Asia and Europe.

CORPORATE

During the quarter the Company made a placement of 5,000,000 new fully paid Ordinary shares, at 10 cents per share, to sophisticated and professional investors, raising additional working capital of \$500,000.

Shortly after the end of the Quarter, the Mrs Gundi Royle and Mr Michael Stirzaker resigned from the Board, and Mr Eric Espiritu joined the Board. Mr Espiritu is a well credentialed geologist with wide well-site and formation evaluation experience in Australia and internationally.

EXPLORATION EXPENDITURE

Total expenditure on exploration and evaluation activities for the quarter ended 30th June 2006 was \$780,308.

David King
Director
28th July 2006



APPENDIX 5B
Mining Exploration Entity Quarterly Report

Name of Entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter Ended ("Current Quarter")

30 JUNE 2006**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Quarter \$A	Year to Date (12Months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) Exploration and evaluation	(780,308)	(4,844,961)
(b) Development	-	-
(c) Production	-	-
(d) Administration	(71,977)	(299,329)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature	8,199	107,087
1.5 Interest and other costs of finance paid	-	(28,189)
1.6 Income taxes paid	-	-
1.7 Other – Net GST	(3,566)	25,996
Net operating cash flows	(847,652)	(5,039,396)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sales of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	0	0
Cash flows related to financing activities		
1.13 Proceeds from issue of shares, options, etc.	500,000	589,800
1.14 Proceeds from sale of forfeited shares	-	-
1.15 Proceeds from borrowings	-	-
1.16 Repayments of borrowings	-	-
1.17 Dividends paid	-	-
1.18 Other (JV partners)	22,945	48,732
Net financing cash flows	522,945	638,532
Net increase (decrease) in cash held		
1.19 Cash at beginning of quarter/year to date	1,138,333	5,098,930
1.20 Exchange rate adjustments to Item 1.19 above	(3,021)	112,539
1.21 Cash at end of quarter	810,605	810,605



**Mining Exploration Entity Quarterly Report
Continued . . .**

Name of Entity	
GAS2GRID LIMITED	
ABN	Quarter Ended ("Current Quarter")
46 112 138 780	30 JUNE 2006

PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS

PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES

		Current Quarter \$A
1.22	Aggregate amount of payments to the parties included in item 1.24	129,972
1.23	Aggregate amount of loans to the parties included in item 1.10	None

1.24 Explanation necessary for an understanding of the transactions

Fee for management and geological services (\$15,000) to Aquamex Ltd, a company associated with Mrs Royle, office rental (\$3,905) to RFC a company of which Michael Storzaker is a director, and fee for drilling services and materials (\$111,067) to DESCO a firm associated with Mr David Munns.

NON-CASH FINANCING AND INVESTING ACTIVITIES

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

None

FINANCING FACILITIES AVAILABLE

		Amount Available \$A	Amount Used \$A
3.1	Loan facilities	None	
3.2	Credit standby arrangements	None	

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

		\$A
4.1	Exploration and evaluation	350,000
4.2	Development	0
	Total	350,000



Mining Exploration Entity Quarterly Report
Continued . . .

Name of Entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter Ended ("Current Quarter")

30 JUNE 2006**RECONCILIATION OF CASH**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A	Previous Quarter \$A
5.1 Cash on hand and at bank	795,407	1,088,602
5.2 Deposits at call	None	46,881
5.3 Bank overdraft	None	None
5.4 Other	15,198	2,850
Total: cash at end of quarter (item 1.21)	810,605	1,138,333

CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning Of Quarter	Interest at End of Quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed	None	
6.2		Interests in mining tenements acquired or increased	None	

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Mining Exploration Entity Quarterly Report
Continued ...

Name of Entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter Ended ("Current Quarter")

30 JUNE 2006**ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER**

	Total Number	Number Quoted	Issue Price per Security (see note 1) (cents)	Amount paid up per security (see note 1) (cents)
7.1 Preference securities	None			
7.2 Changes during quarter				
a) Increases	None			
b) Decreases	None			
7.3 Ordinary securities	59,520,067	38,731,528		
7.4 Changes during quarter				
a) Increases	5,000,000	5,000,000	\$0.10	\$0.10
b) Decreases	None			
7.5 Convertible debt securities	None			
7.6 Changes during quarter				
a) Increases	None			
b) Decreases	None			
7.7 Options	2,600,000	None	Exercise price 30 cents	Expiry date 15.3.2009
7.8 Issued during quarter	None			
7.9 Exercised during quarter	None			
7.10 Expired during quarter	None			
7.11 Debentures	None			
7.12 Unsecured notes	None			

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Mining Exploration Entity Quarterly Report
Continued . . .

Name of Entity

GAS2GRID LIMITED

ABN

46 112 138 780

Quarter Ended ("Current Quarter")

30 JUNE 2006**COMPLIANCE STATEMENT**

1. This statement has been prepared under accounting policies that comply with accounting standards as defined in the Corporations Act or other standards acceptable to the ASX.
2. This statement does give a true and fair view of the matters disclosed.

David King

Signed by

DirectorDate 28th July 2006