



**GAS2GRID LIMITED**  
**NOTICE OF GENERAL MEETING**

A General Meeting of shareholders of Gas2Grid Limited ("Company") will be held at **Level 7, 10 Barrack Street, Sydney, on 30 April 2010 at 11:30 am.**

**ORDINARY RESOLUTIONS**

To consider and, if thought fit, to pass the following ordinary resolutions:

**1. Approval for 26,000,000 Ordinary Shares Already Issued on 26 March 2010**

"That approval is given in accordance with Listing Rule 7.4 of ASX Limited for the issue and allotment on 26 March 2010 of 26,000,000 fully paid ordinary shares in Gas2Grid Limited at an issue price of \$0.025 per share, as detailed in the Explanatory Statement."

**2. Approval for Issue of 26,000,000 New Ordinary Shares**

"That approval is given in accordance with Listing Rule 7.1 of ASX Limited for the issue and allotment of 26,000,000 fully paid ordinary shares in Gas2Grid Limited as detailed in the Explanatory Statement."

**3. Approval for Issue of 52,000,000 Options**

"That approval is given in accordance with Listing Rule 7.1 of ASX Limited for the issue and allotment of 52,000,000 Options, each Option exercisable for one fully paid ordinary share in Gas2Grid Limited at an exercise price of \$0.05 per Option and exercisable on or before 30 September 2011, as detailed in the Explanatory Statement."

**VOTING EXCLUSIONS**

**Resolution 1**

In accordance with Listing Rule 7.5.6 of ASX Limited (ASX), the Company will disregard any votes cast on Resolution 1 by:

- a person who participated in the issue of securities; and
- an associate of that person.

**Resolutions 2 and 3**

In accordance with Listing Rule 7.3.8 of ASX, the Company will disregard any votes cast on Resolutions 2 and 3 by:

- a person who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person.

However, with respect to Resolutions 1, 2 and 3 the Company need not disregard a vote if is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **HOW TO VOTE**

If you wish to vote on the resolutions contained in this notice, you should either attend the meeting in person, or appoint a proxy or proxies to attend on your behalf. In relation to the appointment of proxies, refer to the notes on proxies on the Proxy Form. A body corporate may appoint a representative to attend in accordance with the Corporations Act 2001. An executed notice evidencing the appointment of the person attending is required when registering at the General Meeting.

**To be valid, forms of proxy (enclosed) for use at the meeting must be completed and returned to the Company no later than 11:30 am NSW Standard Time on 28 April 2010.**

#### **ENTITLEMENT TO VOTE**

For the purpose of the meeting, and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that shares in the Company will be taken to be held by the persons who are registered holders as at 11:00 pm (NSW Standard Time) on 28 April 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Dated this 29<sup>th</sup> day of March 2010

By Order of the Board of Directors of Gas2Grid Limited

A handwritten signature in black ink, appearing to read 'Steven J Danielson', with a long horizontal line extending to the right.

Steven J Danielson  
Company Secretary

## EXPLANATORY STATEMENT

This Explanatory Statement provides information to shareholders for the General Meeting of shareholders of Gas2Grid Limited to be held on 30 April 2010 at 11:30 am at Level 7, 10 Barrack Street, Sydney and it should be read in conjunction with the accompanying Notice of General Meeting.

### Resolution 1 – Approval for 26,000,000 Shares Already Issued on 26 March 2010

On 26 March 2009, the Company issued and allotted 26,000,000 fully paid ordinary shares in Gas2Grid Limited at \$0.025 per share. The subscribers to the securities were as follows and are not related parties:

| <b>Subscriber</b>  | <b>Shares</b>     |
|--|-------------------|
| D W Reeder   | 10,000,000        |
| Suburban Holdings Pty Ltd (the Suburban Super Fund A/C)                | 3,000,000         |
| Cranport Pty Ltd   | 3,000,000         |
| M K Walcott  | 2,000,000         |
| Atlantic Pacific Capital Limited                                       | 2,000,000         |
| Oceanic Asset Management   | 2,000,000         |
| Doug, Alison & Ewan Battersby ATF Veruse Employees Superannuation Fund | 1,500,000         |
| Seistend Pty Ltd   | 500,000           |
| Discovery Investments Pty Ltd  | 500,000           |
| Nicola Garrett   | 500,000           |
| Pobelo Super Pty Ltd (Pobelo P/L Super Fund A/C)                       | 400,000           |
| Jorlyn Investments Pty Ltd   | 400,000           |
| P R & H M Murray ATF PHM Superfund                                     | 200,000           |
| <b>TOTAL</b>   | <b>26,000,000</b> |

The placement raised \$650,000 to provide funds for exploration at the Company's Service Contract 44 in Cebu, Philippines, St Griede Licence in France, payment of costs incurred in the schemes of arrangement that were cancelled on 11 March 2010, meeting costs related to the capital raising and general working capital. The ordinary shares have the same rights as other fully paid ordinary shares of the Company already on issue.

### Listing Rules Requirements

Listing Rule 7.1 of ASX allows the Company to issue new securities up to 15% of the existing issued capital of the Company without prior approval of shareholders. The ordinary shares issued on 25 March 2010 were within this limitation.

Under Listing Rule 7.4 of ASX, shareholders may subsequently approve the issue of shares made within the limitation of Listing Rule 7.1. The Company is seeking this approval. Following this approval, the Company will again be able to issue new securities up to 15% of its existing issued capital without prior approval of shareholders.

### Resolution 2 – Approval for Issue of 26,000,000 New Ordinary Shares

On 25 March 2010, the Company had agreed, subject to the approval of shareholders, to issue 26,000,000 fully paid ordinary shares in the capital of the Company at \$0.025 per share. The subscribers to the securities are as follows and are not related parties:

| <b>Subscriber</b>  | <b>Shares</b>     |
|--|-------------------|
| D W Reeder   | 10,000,000        |
| Suburban Holdings Pty Ltd (the Suburban Super Fund A/C)                | 3,000,000         |
| Cranport Pty Ltd   | 3,000,000         |
| M K Walcott  | 2,000,000         |
| Atlantic Pacific Capital Limited                                       | 2,000,000         |
| Oceanic Asset Management   | 2,000,000         |
| Doug, Alison & Ewan Battersby ATF Veruse Employees Superannuation Fund | 1,500,000         |
| Seistend Pty Ltd   | 500,000           |
| Discovery Investments Pty Ltd  | 500,000           |
| Nicola Garrett   | 500,000           |
| Pobelo Super Pty Ltd (Pobelo P/L Super Fund A/C)                       | 400,000           |
| Jorlyn Investments Pty Ltd   | 400,000           |
| P R & H M Murray ATF PHM Superfund                                     | 200,000           |
| <b>TOTAL</b>   | <b>26,000,000</b> |

The amount of \$650,000 to be raised is to be applied to exploration at the Company's Service Contract 44 in Cebu, Philippines, St Griede Licence in France, payment of costs incurred in the schemes of arrangement that were cancelled on 11 March 2010, meeting costs related to the capital raising and general working capital. The ordinary shares proposed to be issued have the same rights as other fully paid ordinary shares of the Company already on issue.

If this Resolution 3 is passed, the Company will issue and allot the shares on 12 May 2010, in any case no later than three months after the date that the shareholders have given their approval.

### **Resolution 3 – Approval for issue of 52,000,000 Options**

On 25 March 2010, the Company had agreed, subject to the approval of shareholders, to issue 52,000,000 unlisted Options to the subscribers to ordinary shares as part of the capital raising referred to in Resolutions 1 and 2 for no additional consideration. The Options will be granted on the basis of one Option for every ordinary share allotted under Resolutions 1 and 2. None of the recipients of the Options are related parties. The money to be received on exercise of the Options will be applied to general working capital, exploration and development of oil and gas projects.

If this Resolution 3 is passed, the Company will issue and allot the Options on 12 May 2010, in any case no later than three months after the date that the shareholders have given their approval.

### **The terms and conditions of Options are as follows:**

1. Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of Gas2Grid Limited ("Company").
2. The Options shall expire at 5.00 pm NSW Standard Time in accordance with the Standard Time Act 1987 (NSW) ("NST") on 30 September 2011 (the "Expiry Date"). Any Option which has not been exercised prior to the Expiry Date automatically lapses.
3. The Options are exercisable at an exercise price of A\$0.05 per share at any time on or before the Expiry Date.
4. The Options are fully transferable and will not be listed on a stock exchange.
5. No certificates will be issued for Options, but holding statements will be issued to holders for Options issued and allotted.
6. All shares issued pursuant to the exercise of Options will be allotted within 10 business days after the exercise of the Options and will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX Limited ("ASX") of all

shares issued upon exercise of the Options on or before the third business day on which ASX is open after the date of allotment of the shares.

7. Exercise of the Options is effected by completing and submitting the Notice of Exercise of Options to the Company together with the required exercise price. If the Options are exercised in part prior to the Expiry Date of those Options, the Company will issue a holding statement for the balance of the Options held and not yet exercised.
8. There are no participating rights or entitlement inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in the manner required by the Listing Rules of ASX.
10. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of each Option shall be reduced according to the following formula.

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

O' = the new exercise price of Option.

O = the old exercise price of Option.

E = the number of ordinary shares into which one Option is exercisable.

P = the average market price per ordinary shares (weighted by reference to volume) of the ordinary shares during the 5 trading days ending on the day before the ex-rights or ex-entitlements date.

S = the subscription price for an ordinary share under the pro-rata issue.

D = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro-rata issue).

N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.

11. If there is a bonus issue to the holders of ordinary shares, the number of securities over which the Option is exercisable will be increased by the number of ordinary shares which the holder of Option would have received if the Option had been exercised before the record date for the bonus issue.
12. If and to the extent any of the preceding terms and conditions are inconsistent with the rules or requirements of ASX the Listing Rules of ASX will prevail in all respects to the extent of the inconsistency.
13. These terms and conditions are governed by the laws of the State of New South Wales and the holder of the options unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.

## **Recommendation**

The Directors recommend that shareholders vote in favour of Resolutions 1, 2 and 3.

Date: 29<sup>th</sup> March 2010