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20<sup>th</sup> March, 2014

**PHILIPPINE DEPARTMENT OF ENERGY - APPROVAL TO COMMENCE OIL PRODUCTION  
SERVICE CONTRACT 44 (100%), Onshore Cebu, Philippines**

Gas2Grid Limited is pleased to advise that it has just received written approval from the Philippine Department of Energy ("DOE") to commence the Malolos-1 extended oil production. The operations will commence as soon as the crew and equipment have been mobilized to the site with likely initial oil production commencing in April.

This testing is being carried out in order to confirm the commerciality of the Malolos Oil Field. The DOE had previously extended Service Contract 44 ("SC 44") for a 12 month period starting on the 29<sup>th</sup> January, 2014 in order to conduct the tests.

The extended oil production testing program aims to gather sufficient technical information to confirm commerciality of the Malolos Oil Field to justify the Department of Energy awarding a 25 year production period leading to full field appraisal and development. Proving commercial production at Malolos Oil Field will have a very significant impact on the value of the Company and will benefit the Philippine economy.

On the 29<sup>th</sup> January, 2014 the Company reported a "Contingent Resource" of oil in the two productive sandstones for the Malolos Oil Field between a "Low Estimate" (1C) of **6.8 million** barrels and a "High Estimate" (3C) of **68.1 million** barrels, with a "Best Estimate" (2C) of **20.4 million** barrels of "Total Oil Initially in Place". This Contingent Resource is in addition to the Unrisked Prospective Resources released to the ASX on the 29<sup>th</sup> January, 2014.

The large size of contingent and prospective resources justifies further exploration within SC 44. In that respect, the Company is continuing discussions with interested parties for funding the complete appraisal and development work (seismic acquisition, production well drilling and production facilities) at the Malolos Oil Field and additional exploration prospects by a farmout of part of its 100% interest in Service Contract 44. In view of the time frame available to the Company for SC 44, it will also consider sole funding some of the work early should farmin terms and agreements take undue time to finalise. The Company is funding the extended oil production testing from existing cash reserves which were raised last year.



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*The Resources assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The Resource estimates used in this presentation were compiled by Mr Len Diekman (Member SPE), Energetica Consulting, who is a qualified person as defined under the ASX Listing Rule 5.11 and has consented to the use of Resource figures in the form and context in which they appear in this presentation. The information in this release has been compiled by Dennis Morton, Managing Director of Gas2Grid Limited, who graduated with First Class Honours in Geology (Macquarie University) and has 38 years experience in the oil and gas industry.*