



12 June 2014

ASX Market Announcements

Gas2Grid Non-Renounceable Rights Issue – Discontinued

On 2 April 2014, Gas2Grid Limited (ASX: GGX) launched a 1 for 4 non-renounceable rights issue (**Rights Issue**) to raise approximately \$5,102,175 (before transaction costs).

Under the Rights Issue, eligible shareholders with registered addresses in Australia and New Zealand were able to apply for 1 new share for every 4 shares held at 7pm (NST) on 11 April 2014. The issue price was to be \$0.03 per new share. For every new share issued, the applicant was to receive one new option for no additional consideration.

Since the launch of the Rights Issue the shares of Gas2Grid Limited have traded at or below the offer price and there are a low number of acceptances received to date.

In light of those circumstances, the Company has decided that it will not proceed with the previously announced Rights Issue with immediate effect and will return any application moneys received to date.

Alternative sources of funding are being considered by the Company including borrowings from Directors and others, farm out of interests in Service Contract 44 and equity issues at a later time in the next financial year.

Malolos Oil Field

The results and observations from the current production flow test at the Malolos Oil Field have been positive. The Malolos-1 well has again demonstrated that it can produce approximately 200 barrels of oil per day. But the oil flow during the test was impaired when the perforations within the wellbore at the sandstone reservoirs were blocked. Over the last couple of days the perforations have been subject to a cleaning process by the use of high-pressure water jets. The well will now be tested for fluid influx by swabbing. If the current remedial work does not result in improved productivity the Company will make a decision on future operations, which might include suspension of test operations whilst various alternatives are considered to exploit the proven oil reservoirs.

Dennis Morton (Managing Director) commented:

“The Company has proved that the two targeted sandstones are oil saturated with commercial potential but affected by down-hole mechanical issues. These two oil sandstones have 21.4 million barrels of Best Estimate (2C) Likely Contingent Resource of Oil in Place (Low Estimate 6.8 and High Estimate 68.1 million barrels)*. This is a resource well worth pursuing.

We are working in a well that was drilled and cased over 50 years ago and that in itself limits our current options. We decided to test the well because it was the lower cost option, as opposed to deepening the Nuevo Malolos-1 well, which still remains an option. We have now determined that sand and migration of fines is an issue with the perforated casing completion and that going forward we will require an alternative completion technology (screens or gravel pack) to manage the fines production. These are standard industry completion techniques.

The forward plan will likely include application to the Philippine Department of Energy for the declaration of Malolos as a commercial oil field and a production period to allow field appraisal and development. The Company will also re-engage with potential farminees in order to fund the appraisal and development of the Malolos Oil field.”

Further Information

For further information please contact:

Dennis Morton
Managing Director

Patrick Sam Yue
Director/Company Secretary

Tel: 61 2 98298 3688
Email: office@gas2grid.com
Gas2Grid Limited

**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.*