

QUARTERLY ACTIVITIES REPORT FOR QUARTER ENDING 31 DECEMBER 2018

During the December 2018 Quarter, developer of global integrated compressed natural gas projects Global Energy Ventures Ltd (ASX: GEV) received formal American Bureau of Shipping (ABS) approval for construction of the CNG 200 Optimum Ship after GEV completed all ABS testing. GEV is in the process of shortlisting shipyards to build the CNG Optimum and structuring financing options. ABS approval will accelerate development of GEV's CNG projects in 2019.

During the Quarter, GEV:

- Completed the required test program and other designs and studies necessary for ABS to issue full design approval for the CNG 200 Optimum Ships – this program included burst tests, fatigue tests and proof-of-concept tests
- Received formal approval from the ABS for the construction of the CNG 200 Optimum ship
- Shortlisted four shipyards to commence negotiations with and finalise contracts to build the CNG 200 Optimum Ships. This followed extensive discussions with almost 20 ship yards in 2018
- Issued to Twinza positive draft Pre-Feasibility Study for the CNG commercialisation of the Pasca A liquids rich gas field offshore PNG and held positive meetings with gas buyers
- Engaged additional resources to secure middle east gas to supply west coast Indian with CNG pursuant to Heads of Agreement executed with Indian Oil Corporation (IOC)
- Provided an update on GEV's Investment in Meridian Holdings Corp, which includes the potential of CNG supply into the UK and European gas market through a Gas Sales Agreement with Uniper Global Commodities which was extended to December 2019
- Identified and pursued additional CNG opportunities for the CNG 200 Optimum ship
- Finished the quarter with cash at bank of \$1.811 million (includes R&D tax rebate of \$1,002,330).

Commenting on the quarter, Chairman & CEO Maurice Brand said: *"The December quarter saw GEV complete extensive prototype testing of the CNG Optimum system. This program included burst testing, fatigue testing and proof-of-concept testing, all of which were passed with flying colours. These tests plus the designs and studies in support of obtaining American Bureau of Shipping (ABS) full class design approval for the Optimum system are now complete.*

"Having completed this process, it was very exciting to receive formal approval from the ABS. This means that we can build the CNG 200 Optimum ship as designed while we continue to comply with applicable ABS Rules and Guidelines. This is the culmination of three years of work by the dedicated GEV Canada team and a major milestone for GEV that will allow us to move forward with our strategy in building the ships and achieving a Final Investment Decision for our first project, which is our main goal for 2019.

"Our next major step is to select a ship yard(s) in order to finalise the technical specification, agree on delivery schedule and capital costs. This will be completed during the March quarter, which will lead into GEV being in a position to sign a ship building contract in a timely manner and in line with the development progress towards a Final Investment Decision for our first CNG Project."

American Bureau of Shipping (ABS) testing and approval

During the quarter the Company completed the following tests for the ABS testing program.

- **Long-Term Fatigue Test:** This long-term fatigue test required cycling a representative pressure vessel for ten times the design life of the cargo system from minimum pressure to the operating pressure. This is an extremely rigorous test that CNG Optimum has passed and is greater than the required design fatigue life of the ship itself (typically 25 years).

- **Notched Burst Test after Fatigue:** This test required fatiguing a specimen through 3 times the design life (6,000 cycles) and then bursting the pipe with machined notches embedded. This is proof of the pipes' ductility and its ability to maintain its burst capacity even with initial defects.
- **Cooled Burst Test after Fatigue:** This test requires fatiguing the specimen through 3 times the design life (6,000 cycles) and then bursting the pipe after it has been cooled to simulate the temperatures that would result from the Joule-Thompson cooling effect of gas escaping through a crack.

GEV completed this testing process in December 2018. As announced by GEV on 14 January 2019, the ABS issued its formal letter granting approval for the construction of the CNG 200 Optimum ship as designed, subject to continued compliance with applicable ABS Rules and Guidelines.

GEV will continue to work with ABS throughout the final engineering and construction phases.

Ship yards shortlisted to build CNG 200 Optimum Ships

During the quarter, GEV selected four ship yards to commence negotiations and finalise shipbuilding contracts.

Following extensive discussions with almost 20 ship yards during 2018, GEV shortlisted four ship yards. During the March 2019 quarter, the GEV team and consultants will finalise all technical and commercial discussions as well as schedules based on a firm four ship order and options for a further 2+2 CNG 200 Optimum ships. The ship yards selected have the technical capability to construct the vessels and meet schedule objectives.

GEV has selected SeaQuest Marine Project Management Ltd to provide Consultancy Services to assist in finalising the technical specification and Plan Approval with the selected yard(s). SeaQuest Marine provides ship owners, ship managers and maritime stakeholders with consultancy services having successfully delivered 260 ships over 16 years, with a further 18 ships currently under construction.

The CNG Optimum 200 ship carries 140km of pipe which is the single largest cost item for each ship. Sourcing of pipe is a specialised business and GEV has selected a Japanese group, subject to formal agreements, to provide Pipe Procurement Consultancy services. The initial scope of services cover selection of mills, line pipe technical specification, pricing and delivery scheduling.

Clarksons Platou (Clarksons) continues to provide ship broking services.

GEV may elect to either (i) build, own and operate its CNG ships, using normal project financing; or (ii) lease the CNG ships from a third party under an annual operating cost basis. GEV has held preliminary discussions with three investment banks and by April 2019, subject to specific CNG project timing, GEV plans to mandate one or more banks, to act as Financial Advisors.

Draft Pre-Feasibility Study Issued to Twinza pursuant to Heads of Agreement

Following the signing of a Heads of Agreement with Twinza Oil Ltd in August 2018, GEV has prepared and issued to Twinza a draft Pre-Feasibility Study, which is a working document between the two parties. The Study shows a positive outcome for gas to be sold and delivered into the gas market by way of marine CNG. The parties will now hold detailed discussions on agreements in order to move forward consistent with Twinza development timeline and PNG approval process for the Pasca A gas field.

Pursuing middle east gas to supply West Coast India

In the December quarter, GEV had a strong focus to secure middle east gas to supply Indian Oil Corporation (IOC) under the terms of the IOC/GEV Heads of Agreement. These efforts included attending and presenting (copy of presentation can be located on the Company's web site) at a gas and LNG summit in Muscat, Oman. This provided an ideal environment to meet with Governments and industry parties which have resulted in a series of follow up meetings and negotiations for both gas supply and additional gas buyers.

Agreement extended with Meridian Holdings Co on Port Meridian following Uniper GSA Extension

The company provided an update on its Investment in Meridian Holdings Corp. and the proposed Atlantic CNG Project, which includes the potential of CNG supply into the UK and European gas market through a Gas Sales Agreement with Uniper Global Commodities SE.

In December 2017, GEV announced that it had acquired a 5% equity interest in Meridian Holdings Corp. for a consideration of US\$2 million (Meridian Investment). The Meridian Investment included GEV being granted:

- Gas volume rights of up to 300 MMscf/d of port capacity at Meridian's proposed Port Meridian terminal in the United Kingdom, subject to regulatory approvals and a tolling terminal agreement; and
- Gas sale rights of up to 300 MMscf/d to Uniper under the Gas Sales Agreement dated April 2015 between a wholly-owned subsidiary of Meridian and Uniper Global Commodities SE (a subsidiary of Uniper SE publicly traded on the Frankfurt Stock Exchange) ('Uniper'), subject to a gas assignment agreement.

GEV's gas volume and sales rights are subject to UK regulatory clearances and the execution of a tolling terminal agreement (for Port Meridian capacity) and gas assignment agreement (for gas sales to Uniper). Port Meridian is well placed to complete, at a modest cost, previous engineering work associated with the Port Meridian site and within a 12-month time frame.

These Agreements, now extended through to 21 December 2020, providing GEV with gas sale rights of 300 MMscf/d (~2.3 mtpa of LNG equivalent) for 20 years to one of the world's most liquid and transparent gas markets being that of the UK and access to Uniper, an investment grade credit rated customer.

The Uniper Gas Sales Agreement was extended to 31 December 2019.

CORPORATE

Annual General Meeting

The Company held its Annual General Meeting of shareholders on 23 November 2018. All resolutions as specified in the notice of meeting were passed unanimously on a show of hands.

Receipt of R&D Cash Rebate

The Company reported in its September 2018 Quarterly Activities Report, issued on 30 October 2018, that it had lodged its 2018 income tax return, which included an application for a refundable R&D tax offset of \$1,002,330.

The income tax return was accepted and GEV's application for the refundable R&D tax offset has was

approved. GEV received the rebate of \$1,002,330 during the quarter.

Funding position

GEV's cash position as at 31 December 2018, was \$1.811 million

Appendix 4C

Attached please find the Company's Quarterly Appendix 4C Report

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About Global Energy Ventures Ltd

The Company's mission is to create shareholder value through the delivery of integrated CNG solutions to global gas markets. CNG is a well proven solution with technical and commercial advantages along with being safe and environmentally friendly. This will be achieved by:

- Continuing the roll out of **GEV CNG Optimum ship design** and maintaining global leadership in marine CNG technology;
- Pursue **multiple CNG projects** to improve the probability of success;
- Secure **access to strategic gas resources** that provides for an integrated CNG gas supply solution;
- Offer CNG project stakeholders **flexible commercial arrangements**;
- Employ **world class management** and staff that are leaders in their chosen discipline; and
- Maintain the **highest standards** of efficiency, safety and environmental responsibility.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Global Energy Ventures Ltd

ABN

53 109 213 470

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	—	—
1.2 Payments for		
(a) research and development	(1,329)	(2,265)
(b) product manufacturing and operating costs	—	—
(c) advertising and marketing	(38)	(46)
(d) leased assets	—	—
(e) staff costs (R&D)	(402)	(568)
(e) staff costs (non R&D)	(254)	(541)
(f) administration and corporate costs	(290)	(416)
1.3 Dividends received (see note 3)	—	—
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	—	—
1.6 Income taxes paid	—	—
1.7 Government grants and tax incentives	—	—
1.8 Other (project development)	(367)	(767)
1.8 Other (R&D Rebate)	1,002	1,002
1.8 Other	—	—
1.9 Net cash from / (used in) operating activities	(1,676)	(3,597)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	—	—
(b) businesses (see item 10)	—	—
(c) investments	—	—
(d) intellectual property	—	—
(e) other non-current assets	—	—
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	—	—
(b) businesses (see item 10)	—	—
(c) investments	—	—
(d) intellectual property	—	—
(e) other non-current assets	—	—
2.3 Cash flows from loans to other entities	—	—
2.4 Dividends received (see note 3)	—	—
2.5 Other (provide details if material)	—	—
2.6 Net cash from / (used in) investing activities	—	—

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	—	—
3.2 Proceeds from issue of convertible notes	—	—
3.3 Proceeds from exercise of share options	—	—
3.4 Transaction costs related to issues of shares, convertible notes or options	—	—
3.5 Proceeds from borrowings	—	—
3.6 Repayment of borrowings	—	—
3.7 Transaction costs related to loans and borrowings	—	—
3.8 Dividends paid	—	—
3.9 Other (provide details if material)	—	—
3.10 Net cash from / (used in) financing activities	—	—

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,517	5,380
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,676)	(3,597)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	—	—
4.4 Net cash from / (used in) financing activities (item 3.10 above)	—	—
4.5 Effect of movement in exchange rates on cash held	(30)	28
4.6 Cash and cash equivalents at end of quarter	1,811	1,811

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,811	3,517
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,811	3,517

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	165
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes fees, salaries and superannuation paid to directors.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	—
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	—
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	—	—
8.2 Credit standby arrangements	—	—
8.3 Other (please specify)	—	—
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	603
9.2 Product manufacturing and operating costs	—
9.3 Advertising and marketing	10
9.4 Leased assets	—
9.5 Staff costs	435
9.6 Administration and corporate costs	93
9.7 Other (project development)	646
9.8 Total estimated cash outflows	1,787

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals \$A'000
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Performance Shares

On 7 December 2017, Global Energy Ventures Ltd (**GEV**) issued 1,850,000 Class A Performance Shares, 2,200,000 Class B Performance Shares, 2,350,000 Class C Performance Shares, 6,250,000 Class D Performance Shares and 3,200,000 Class E Performance Shares (together "Performance Shares"). All Performance Shares remained on issue at the end of the quarter. All Performance Shares expire on 6 December 2022 (**Expiry Date**) and on achievement of the relevant milestone for each Class of Performance Share, each Performance Share of that class will convert into one ordinary share in the Company. Class A Performance Shares will convert when either (a) a notice to proceed for a contract for the construction of CNG ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on Sea NG Corporation (SeaNG) Technology (**Project**) is given (**Notice to Proceed Date**); or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.35 at any time subsequent to 6 December 2017 (**Effective Date**); and (ii) GEV obtains ABS Full Approval for construction of a CNG Ship reliant on the Optimum Technology (**Optimum CNG Ship**) of any size; and (iii) a period of 24 months or more has elapsed since the Effective Date. Class B Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) when (i) the 30-day VWAP of GEV Shares exceeds A\$0.45 at any time subsequent to the Effective Date; and (ii) either GEV obtains ABS Full Approval for construction of an Optimum CNG Ship with net design gas storage capacity exceeding 250 MMscf or a contract for the construction of a CNG Ship for the Project is executed (**Contract Date**); and (iii) a period of 30 months or more has elapsed since the Effective Date. Class C Performance Shares will convert when either (a) the Notice to Proceed Date occurs; or (b) the 30-day VWAP of GEV Shares exceeds A\$0.55 at any time subsequent to the Effective Date; and (ii) the Contract Date occurs; and (iii) a period of 36 months or more has elapsed since the Effective Date. Class D Performance Shares will convert when the Notice to Proceed Date occurs. Class E Performance Shares will convert when a notice to proceed for a contract for the construction of CNG Ship(s) for the first project for the marine transportation of compressed natural gas in which GEV has an interest and which is reliant on SeaNG Coselle Technology is given. If the relevant milestones above are not achieved by the Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of A\$0.00001 within 14 days of the Expiry Date. The issue of the Performance Shares was approved at the general meeting of shareholders held on 30 November 2017. Subsequent to the issue of the Performance Shares, Sea NG Corporation changed its name to GEV Canada Corporation.

No Performance Shares were converted or cancelled during the quarter. None of the Performance Shares had their vesting conditions met during the quarter.

