



ASX / MEDIA ANNOUNCEMENT

31 July 2019

ACTIVITIES REPORT FOR THE JUNE 2019 QUARTER

During the June 2019 Quarter, developer of integrated marine Compressed Natural Gas (CNG) gas transport projects Global Energy Ventures Ltd (ASX: GEV or “the Company”) focussed on the completion of all ship technical specification activities leading into the selection of shipyard for the construction of the CNG Optimum ship. In parallel the Company continued to progress a pipeline of marine CNG opportunities across multiple regions.

Key Highlights:

- Three selected shipyards submitted a full technical specification for the CNG Optimum ship, including capital cost estimate, schedule and indicative terms for a shipyard contract.
- Full technical review and assessment of each submission completed with negotiation on shipyard construction terms advanced.
- All material R&D expenditure related to the CNG Optimum ship completed to advance the ship to be ‘construction ready’.
- Discussions advanced on gas supply and offtake across 4 regions announced and new regions under review.

Subsequent to the quarter, the Company provided two material updates:

- **3 July 2019:** Shipyard Letter of Intent with Yantai CIMC Raffles Ltd for the construction of the CNG Optimum 200MMscf ship.
- **4 July 2019:** Appointment of GAIA A Importação e Exportação Ltd. as Brazilian Country Associate to jointly identify, evaluate and develop prospective CNG projects in Brazil.

Commenting on the quarter, Chairman & CEO Maurice Brand said: “The successful completion of full technical specification documentation to construct the Optimum 200 ship and the signing of our Shipyard Letter of Intent with Yantai CIMC Raffles Offshore Limited has been a critical milestone in the removal of the binary risk of the Company’s marine CNG business model. CIMC Raffles is an investment grade shipyard that will support the business development activities underway across the five regions we have now announced.

The Shipyard Letter of Intent and a capital cost estimate of US\$135 – 140 million has increased the profile and credibility of our CNG gas transportation solution and we are now working hard to confirm gas supply and corresponding gas sales agreements in multiple regions.

The announcement of Brazil as our fifth market demonstrates the depth of our project opportunities and that the application of a CNG gas transport solution can be viable in multiple regional gas markets where the Company’s model has a commercial advantage vs the alternative of transport by pipeline or LNG.”

CNG OPTIMUM SHIP TECHNICAL SPECIFICATION AND SHIPYARD SELECTION

- During the quarter all three selected shipyards completed and submitted a comprehensive technical specification to construct the CNG Optimum vessel. A process that commenced in 2018 with an initial target list of up to 20 shipyards.
- GEV Director, Jens Martin Jensen, together with the Company’s ship broker Clarksons and technical advisor SeaQuest Marine, completed a visit to all three yards to undertake a detailed review of the technical specification, construction methodology, construction schedule and capital cost estimate in order to negotiate a Letter of Intent for the construction of the CNG Optimum ship.
- This significant amount of work culminated in the Company announcing on 3 July 2019 a Letter of Intent (LOI) with Yantai CIMC Raffles Offshore Limited (“**CIMC Raffles**”) to build the CNG Optimum 200MMscf ship.



- GEV and CIMC Raffles will now work towards a binding shipbuilding Engineering, Procurement & Construction (EPC) contract, employing GEV’s CNG Optimum design, for four (4) firm CNG Optimum ships, with the option for GEV to order up to an addition four (4) ships.
- Selection of the Company’s first Shipyard Construction Partner is a significant de-risking milestone for the Company and mitigates against the perceived risk of a binary outcome for developing a new class of marine CNG ship.
- Key highlights of the LOI with CIMC Raffles include:
 - Proposed construction cost of US\$ 135 – 140 million per ship;
 - Order for 4 firm ships and an option up to 4 additional ships;
 - Construction schedule of 30 months for the first ship and then every 4 months for each new build;
 - Performance guarantee for the CNG Optimum ship to operate in the intended and defined waters for the purpose of delivering CNG from gas supply to gas to gas buyer;
 - Term of the LOI is now extended to 31 December 2019, with GEV and its advisors working towards an executable shipbuilding contract.
- The selection of CIMC Raffles has been driven by the commercial terms under the LOI. CIMC Raffles is financially sound with a strong track record of delivering in excess of USD 6 Billion in EPC contracts since 2012, they have the required Gas expertise, large in house design and gas handling department and a yard within the group to have built the first and only marine CNG carrier in 2016.
- The selection of our first yard and execution of a LOI is the culmination of 18 months of work and R&D expenditure required to get the CNG Optimum ship construction ready.
- The Company has no planned material expenditure on shipping R&D until the confirmation of a gas supply agreement.



GEV management & CIMC Raffles representatives in the GEV Perth office

CNG LOADING AND UNLOADING ENGINEERING

- During the quarter, the R&D team has commenced a review of the process engineering requirements for the CNG loading and unloading facilities.
- GEV’s “pipe to pipe” transport model includes sourcing gas from onshore gas pipelines and offshore gas development or associated gas projects.
- Work will continue into the September and December quarters with a priority of work based on the gas supply source and delivered site requirements.
- Fundamentally a significant part of the process design and any R&D will be utilised across the regional projects currently under consideration.

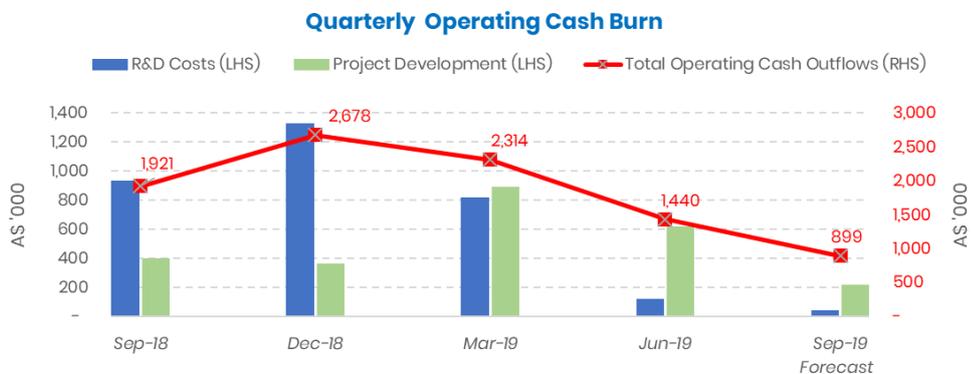


PROJECT DEVELOPMENT

- During the quarter, business development and marketing activity for marine CNG projects was robust with progress towards gas supply being made in multiple regions to ensure we are not tied to a single project outcome.
- The marketing team continued with discussions in the Middle East region for volumes of 200MMscf/d or greater going into regional markets that include India where the Company has a HOA for a 20 year take-or-pay purchase agreement.
- GEV is waiting on Twinza Oil to receive its Project Development License for the Pasca A field in order to progress further on gas supply to be transported as CNG to bankable customers.
- Gas sources continue to be reviewed for the UK market and Meridian Terminal, however spot pricing conditions in the UK and Europe remain at levels that are prohibitive to justify the economics for a greenfield import site to move forward. Uniper remain committed to offtake, however stability at higher prices will be required to move this project forward.
- In Asia we continue to review stranded fields that are within economic range of high price markets, with proposals for equity gas being reviewed.
- In Brazil, the GEV team held technical discussions with several major oil and gas companies operating in Brazil's Santos and Campos Basins that has identified multiple opportunities for marine CNG transportation of associated gas as a commercial alternative to the current implementation of gas re-injection.
- Subsequent to the June quarter, GEV announced on 4 July 2019 the appointment of GAIA A Importação e Exportação Ltd. as Brazilian Country Associate to jointly identify, evaluate and develop prospective CNG projects in Brazil, with follow up meetings scheduled for the September quarter.
- Brazil's Santos and Campos Basins are prolific offshore regions containing multiple billion-barrel oil & gas fields, with an estimated 1 Bcf/d (30 million m3/d) of associated gas being reinjected. Associated gas volumes are forecast to double over the next decade as major new oilfields are developed and produced.

CORPORATE

- GEV finished the quarter with a cash balance of \$2.42 million, post the June quarterly outflows of \$1.5 million. Refer to the separately announced Appendix 4C for further details.
- The Company is pleased to advise shareholders the high cash burn related to the completion of all regulatory approvals, ship design work and technical specification for the construction of the CNG Optimum ship is now complete.



- The graphic above demonstrates the peak cash burn in the December 2018 and March 2019 is no longer reflective of the go forward cash requirements of the company to commercialise the CNG Optimum business plan. All future engineering costs will be associated only with the confirmation of a gas supply agreement.
- The September 2019 quarter projected cash expenditure will considerably reduce to \$0.9 million. Cash expenditure is now capped to costs associated with the Company's low fixed corporate costs and business development activity to secure Heads of Agreement for gas supply and corresponding offtake for one or more



CNG projects.

- Work has commenced by the Company's advisor on this year's R&D tax offset claim for the income year ended 30 June 2019. The claim will again be supported by an approved Advance Overseas Finding for its overseas R&D activities from Innovation and Science Australia.
- The application for the R&D tax offset will form part of the company's tax return to be lodged shortly. (Note: For the prior 2018 financial year GEV received \$1,002,330 as announced on 7 November 2018).
- The Company has no loan facilities or borrowings.
- GEV is fully resourced through to a project ready FID decision.

APPENDIX 4C

Please refer to the Company's lodged Appendix 4C Report with the ASX.

FOR FURTHER INFORMATION PLEASE CONTACT

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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 design and commercial advantages along with being safe and environmentally friendly. This will be achieved by:

- Continue the roll out of **GEV CNG Optimum ship** and maintaining global leadership in marine CNG design;
- 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.

FORWARD LOOKING STATEMENTS

This announcement may contain forward looking statements that are subject to risk factors associated with the gas and energy industry. The expectations reflected in these statements are currently considered reasonably based, but they may be affected by a range of variables that could cause actual results or trends to differ materially, including but not limited to: price and currency fluctuations, the ability to obtain reliable gas supply, gas reserve estimates, the ability to locate markets for CNG, fluctuations in gas and CNG prices, project site latent conditions, approvals and cost estimates, development progress, operating results, legislative, fiscal and regulatory developments, economic and financial markets conditions, including availability of financing. All references to dollars, cents or \$ in this document is a reference to AUD Dollars, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.