



ASX / MEDIA ANNOUNCEMENT

13 MARCH 2020

SHAREHOLDER LETTER

Dear Fellow Shareholders,

Following recent volatility in global equities and commodity markets, and specifically the dramatic fall in the oil price, we have received a number of enquiries from shareholders seeking clarification on the impacts to our current and future activities for commercialising the Company's CNG Optimum gas transportation solution.

I would first like to remind all shareholders that the Board and Executive Team, on a collective basis, own 26% of the current issued capital of the company, and almost 30% on a diluted basis assuming performance hurdles are achieved by developing a project. So, as a team we are highly aligned with all the shareholders, large or small, to deliver a successful CNG project and realise significant shareholder value.

Secondly, the Company retains a cash position to execute on its current activities. At 31 December 2019, the Company reported a cash position of A\$4.4 million. Going forward, the Company has sufficient runway to manage its expenditure to match progress and developments. The quarterly expenditure allocated by the Board for the remainder of 2020 will only be expended in accordance with the progress of our CNG projects towards a binding outcome, otherwise our expenditure will be deferred. GEV enjoys the benefit of a small but highly experienced team to limit our fixed cost base. This also avoids the dependence on high cost consultants that other development companies need to fund.

With respect to the direct impacts on the execution of our business plan and the dramatic fall in the oil price, the Company makes the following comments.

1. CNG is very competitive in an environment of a lower oil price (and gas prices).

On a volume basis, and within a distance of 1,500km, where a pipeline isn't a feasible option CNG is the lowest cost gas transport solution for the commercialisation of gas production.

CNG significantly reduces the capital requirements of a LNG/FLNG solution required for liquefaction and regasification. The operating cost to compress/transport/decompress is cheaper on a volume basis within our target markets and projects. CNG can also compete with pipelines over shorter distances given the long-lead time for permitting and construction. CNG can also complement the future development of pipelines where markets are growing over the long-term and the scaling up of volumes can be matched with additional CNG ships, which in effect is a flexible floating pipeline.

It is our view, and experience, that while energy prices remain low, it increases the financial risk of new liquefaction projects as they will need to pre-sell enough capacity in order to make their projects economic. This will only delay the onset of additional LNG capacity into an already oversupplied market.

2. GEV is not speculating on the gas markets by developing CNG projects without binding long-term contracts.

The Company has been very clear from 2017, on its strategy for project development and the creation of shareholder value. Financial commitments will only be made on the basis there is line of sight from gas supply to gas sales which leads to a binding long-term sales agreement with a counter-party that is of sufficient credit-rating to support project debt and equity requirements.

For example, GEV is focussed in Brazil where specific projects are under development by multiple AAA-rated oil and gas companies. We are of the view, the projects with associated gas are either not viable for pipelines or the



operators have ruled out liquefaction solutions.

GEV is on schedule to complete its first CNG Commercialisation plan at the end of March 2020 for an in-development field with up to 300MMscf/d to be evacuated at less than 1 days sail to the domestic market that remains a net importer of gas at higher prices than a CNG solution can deliver.

We continue to be in dialogue with other major oil companies in the region who are both operators and developers of offshore projects with commercial quantities of associated gas that would otherwise be reinjected. GEV's floating gas pipeline solution provides a business case for the addition of gas sales revenue and a reduction in reinjection costs and options to manage the reservoir. GEV is targeting at least one more commercial study to be completed in 2020.

With respect to other regions, the Company continues to finalise its due diligence on the potential for a US export location located in the Gulf of Mexico. Given its location and connection to existing pipeline infrastructure to low-cost Henry Hub linked gas, a US export project using the CNG Optimum gas transport solution would provide GEV with the lowest on-water costs, and save significant capital and permitting requirements given the existing infrastructure in place. Our target is to be 40-50% below the on-water costs for a typical US LNG project. GEV has selected its preferred locations and is now working with multiple parties to secure the relevant agreements.

3. Risk to delays by major oil companies making project decisions that include a CNG solution.

GEV acknowledges it cannot control the timing of decisions by a global oil company in any market scenario. That is the reason why we have been actively developing a portfolio of multiple projects across multiple regions to mitigate the risk of a single binary outcome. GEV is actively managing this risk. At this stage we have had no communication from any of the counterparties of delays to their current work program.

4. Does the change in global markets conditions make financing difficult?

GEV acknowledges the potential for challenges to finance an CNG solution of 3-5 ships if economic conditions deteriorate over the course of 2020. However, we make the following points:

- CNG projects involve 75-80% of the capital being deployed to the construction of our ships. Ship financing typically receives a lower cost of capital given the history of ship construction being on time and budget and built in a controlled yard, vs the history of liquefaction projects being plagued with cost-overruns.
- GEV will only be seeking a financing decision on the basis we have credit-backed contract on 10-20yr fixed price terms. Such contracts should attract financing groups seeking to match timelines against long-term infrastructure return targets.
- GEV has appointed Clarksons Platou (Clarksons) to commence work with the company on the financing options required for our first project in Brazil. Their global expertise in shipping and niche infrastructure style projects will also be matched by a global network of investors. Clarksons also act as our Shipbroker, so their confidence in our ship design from a construction risk perspective is without peer to assist with financiers committing.
- GEV intends to appoint a highly credible and experienced shipping manager to operate our proposed fleet of ships. This will be a requirement of debt and equity providers and avoids GEV hiring a large team for future operations.
- GEV is not going to market today with our first CNG project for financing. This will happen progressively as each CNG project matures and the Company can confidently nominate a FID date (Financial Investment Decision). Together with the advice of Clarksons, GEV is taking a proactive approach by selecting those parties with whom we are confident will be a strong global partner as we embark on the construction of the CNG ships and commission multiple projects into operations.



5. What is the near-term news flow from the Company?

The Company remains on track to complete our first CNG Commercialisation Study in Brazil at the end of March and then enter a review period during the June quarter. Discussions are ongoing with additional global oil companies operating in the region and we are targeting a second study.

In the US, management has been active in completing their due diligence on numerous offshore locations connected to existing network of pipelines serving multiple gas producers in the Gulf of Mexico. GEV has now selected the preferred locations and is working with parties on a suite of agreements. We are targeting an update to shareholders at the end of the March quarter on the outcomes of this work and articulate our strategy for a US export project.

We are pleased release an updated Investor Presentation which provides further details on our business plan and work program. A copy is available on the GEV investor page: www.gev.com/investors

For any further information, please contact myself directly via email on mbrand@gev.com and I will respond in quick time depending on travel commitments. Otherwise all shareholder enquiries can be sent to info@gev.com or the contact details for Martin Carolan are set out below.

Finally, I want to thank all current shareholders for their support and patience over recent months. GEV is developing projects that are material infrastructure projects that can deliver significant long term returns for shareholders, and by their nature require multiple parties to make material decisions.

My co-directors and senior management are confident the company can succeed on its goals for 2020 and delivery a new floating pipeline solution.

Best Regards,

Maurice Brand

Executive Chairman and Chief Executive Officer

This ASX announcement has been authorised for release by the Board of Global Energy Ventures Ltd

- END -



CNG Optimum

Design One | Build Many | Operate Globally



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 gas transport 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 a portfolio of CNG projects to improve to mitigate against binary outcomes;
- Offer CNG project stake-holders flexible commercial arrangements;
- Secure access to strategic gas resources that provides for an integrated CNG gas supply solution;
- Employ world class management and staff that are leaders in their chosen discipline; and
- Maintain the highest standards of efficiency, safety and environmental responsibility.

STANDARD HANDYMAX SHIP

Containment system integrated into the ship design.

Long horizontally stacked pipe minimises connections and optimises the cargo hold.

Optimum IP overcomes the storage pipes rubbing together in a marine environment.

PATENTED DESIGN

ABS APPROVED DESIGN

2019 CNG Optimum Ship Approved for Construction

OPTIMUM STORAGE SYSTEM	
200 MMscf	Net Sales Volume
3,600 psi	Operating Pressure
X80/ERW	Pipe Grade & Weld Type
20"	Pipe Diameter
100m	Individual Pipe Length
130km	Total Length of Pipes

CNG SHIP	
190m	Length
17.0m	Depth
31.8m	Breadth
9.4m	Full Load Draft
47,500 mt	Displacement
14 knots	Service Speed

Note: The schematic of the Optimum CNG vessel presented above is indicative of the loading and unloading of CNG using onshore facilities. Modifications to the ship will be made for offshore loading systems such as a STL or SAL system, however it does not require further approvals from ABS for the Optimum CNG containment system.

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.