



ASX / MEDIA ANNOUNCEMENT

16 APRIL 2020

ACTIVITIES REPORT FOR THE MARCH 2020 QUARTER

HIGHLIGHTS:

- CNG Commercialisation Plan successfully completed for an in-development oil field with associated gas, located in the offshore Brazilian Pre-Salt. Subsequent to the quarter, the plan was provided to the operator on 6 April 2020, with a review process during the June 2020 quarter.
- The Commercialisation Plan has validated CNG Optimum can satisfy the technical requirements to load exported gas from a proposed Floating Production, Storage and Offloading vessel (FPSO) and transport such as to the Brazilian domestic market. The plan has also established a CNG Optimum project with commercial value for GEV.
- The completed work is now a starting template to evaluate additional CNG project opportunities in Brazil and other offshore opportunities globally with a requirement to evacuate and monetise associated gas. Our local Brazilian associate continues to advance discussions with major oil and gas operators, with the objective for GEV to commence and complete at least one additional CNG Commercialisation Plan in Brazil in 2020.
- Substantial progress on completing due diligence for a preferred and alternate CNG export facility sites in the US, with agreements nearing completion. Late in the quarter, disruptions were experienced in commercial discussions on key agreements. Disruptions to GEV's work program in the US include the increasing impacts of COVID-19 and also the dramatic fall in oil prices impacting timelines from third-parties. Work will continue into the June 2020 quarter.
- Cash position of \$3.34 million at the end of the quarter and zero debt.
- Implementation of cost-reduction initiatives underway as a response to the change in global operating conditions, and delays to certain timelines in the US will extend GEV's current financial resources into 2021.

Commenting on the quarter, Executive Chairman & CEO Maurice Brand said: *"The March quarter has delivered a material milestone for Shareholders with the completion of our first CNG Commercialisation Plan in Brazil for an in-development oil and gas project seeking to award contracts late 2020 or early 2021. Together with our technical partners, GEV is confident it has delivered a robust business case for CNG Optimum to satisfy the technical requirements for a marine CNG project to export gas from a new FPSO and transport to the local market in Brazil. The work has also established a commercially feasible project for GEV to move forward to the next stage and we will keep shareholders informed as the opportunity advances to Concept Selection.*

With respect to GEV's work in the US for an offshore CNG export facility, our Development Team made substantial progress on technical due diligence for a preferred and alternate site, which included gas supply, pipeline access, and a framework for all regulatory approvals. However, with the disruptions to various counterparties through both COVID-19 and a disrupted energy market sector, it has proven difficult to advance the multiple agreements required to launch this project during the March quarter. GEV remains committed to this CNG opportunity with our Australian and Canadian based management team continuing to work on the CNG supply chain agreements; however, it is prudent to ensure the target gas market is adequately advanced commercially before the Company commits the next tranche of financial resources required for engineering and permitting, until we can obtain increased confidence on timing.

Finally, the Board and Management have recognised the rapidly changing energy market environment could cause some delays to the finalisation of our near-term milestones given our reliance on third parties to finalise agreements. To that end, the Company has commenced the implementation of a number of cost-reduction measures to ensure the Company's balance sheet resources extend into 2021, while still progressing our projects in Brazil and the US."



Global Energy Ventures Limited (ASX: GEV) (“GEV” or the “Company”) presents its quarterly activities report for the period ending 31 March 2020.

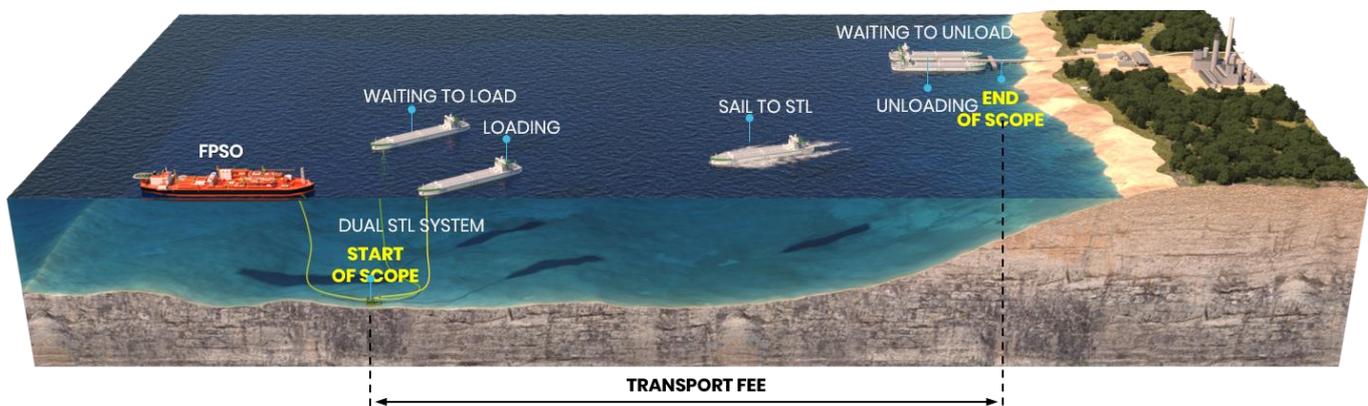
BRAZIL CNG COMMERCIALISATION PLAN COMPLETED

In the December 2019 quarter, the Company announced a CNG Commercialisation Plan and associated work program had commenced for an in-development oil field located in the offshore Brazilian Pre-Salt (see Figure 2). The Board is now delighted to inform shareholders the completion of the work in the March 2020 quarter, and subsequent to the quarter, delivered a robust technical and commercial plan to the operator of the field.

Together with our technical and commercial partners, the Brazil Project Team has completed extensive in-house and third-party technical work and economic analysis using a fleet of CNG Optimum ships to transport gas from an in-development Pre-Salt field to onshore markets. Technical workshops commenced in December 2019 with resources from a number of teams engaged on the technical and process design of a full CNG supply chain during the March 2020 quarter.

Figure 1 below outlines the scope of the Commercialisation Plan. Loading export gas from the FPSO via a dual Submerged Turret Loading (STL) buoy system and transporting using a fleet of CNG Optimum ships to an onshore gas processing facility, located within 200 nautical miles or less than a days sail. The FPSO is to be designed for up to 90,000 Bbl/d of oil and 300 MMscf/d of gas production.

Figure 1: Scope of the of Brazil CNG Commercialisation Plan



GEV believes it has successfully achieved the objectives of the Commercialisation Plan required of the CNG Optimum gas transport solution:

- **Technical Acceptance:** The ability of the proposed marine gas export solution to load, store, transport and unload the gas specification provided, by maintaining the gas in single phase throughout each of these processes.
- **Continuous Gas Export:** GEV considers the proposed CNG ship fleet provides the FPSO, with a reliable, available and maintainable solution for continuous gas export.
- **Available to Operate in Q4, 2024:** The ability to commence first gas exports in Q4, 2024. Gas exports with a fleet of CNG ships can eliminate the timing barriers that exist for pipelines in Brazil and could be implemented in parallel with the upstream project schedule.
- **Competitive Charter Rates:** The commercial model to be reviewed includes competitive charter rates for the proposed fleet of CNG ships.

A review process will be undertaken during the June 2020 quarter, with shareholders to be informed as the



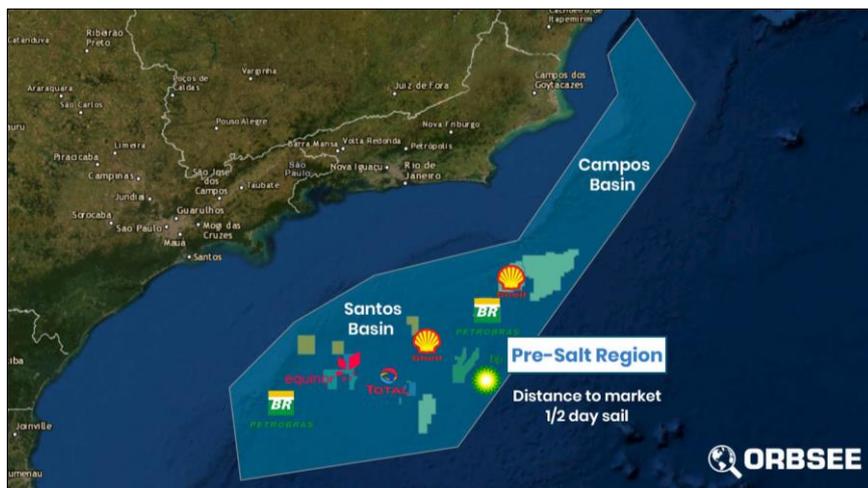
opportunity advances to Concept Selection.

Based on the proposed timetable for development of the oil field, GEV anticipates that a successful outcome to the detailed technical and commercial analysis by the operator, this would lead to the awarding contracts late 2020 or early 2021.

The GEV Brazil project team is not aware of any delays to the development program or of any change to the current timetable for first production of oil and gas in early 2024. A request for proposal and tender process for the related FPSO is progressing as scheduled in 2020.

Despite the changes to our work practices implemented to manage COVID-19 health and safety, the Brazil Project Team benefits from our local Brazilian associate continuing to advance discussions with global energy groups about the commercialisation of GEV’s Optimum CNG supply chain in Brazil. Groups include upstream field operators and downstream gas industries in Brazil. GEV is targeting multiple commercialisation opportunities. **GEV’s objective is for at least one additional CNG Commercialisation Plan in Brazil to commence, and be completed, in 2020.**

Figure 2: The selected field located in the Santos Basin of the Brazilian Pre-Salt within proximity to Rio de Janeiro & São Paulo gas markets.



Note: Brazilian Pre-Salt: Geological formation (reservoir) located below a layer of salt. Also used to describe the prolific oil and gas region in which Santos and Campos Basins are located.

Brazilian Pre-Salt presents a unique and attractive gas market dynamic that is ideally suited to CNG Optimum. The industry is going through significant growth with all the oil and gas majors targeting development projects.

- Santos and Campos Basins are prolific hydrocarbon producing regions with significant volumes of associated gas.
- Major projects progressing to FID with first operations in 2024/25 can align with CNG Optimum construction schedule.
- Multi-fold production growth over the next decade as oil and gas majors develop oil field blocks recently secured through bidding rounds.
- Existing deep-water pipelines are under contract and at capacity.
- New pipelines are environmentally, technically and commercially challenging requiring long lead time & billion dollar investments.
- In many development cases, reinjection is considered the only feasible option given water depth, rich gas specification, met-ocean conditions and availability of infrastructure.
- Gas commercialisation by CNG can accelerate gas development timelines, enhance project economics and mitigate reservoir risks associated with reinjection.

CNG SHIPPING

GEV’s preferred offshore loading solution for Brazil is a dual Submerged Turret Loading (STL) buoy system, as outlined in Figure 1. The dual loading system will allow two CNG ships to be connected, assuring reliable and continuous export of gas from the customer’s FPSO.

STL systems have an excellent track record of reliable connections in harsh met ocean conditions and deepwater. To date, twenty-one STL systems have been installed with an operating history of over 25 years. Three of these systems use dual STL buoys with multiple applications of high-pressure gas and frequent connect operations.

GEV’s CNG Optimum ships will require Dynamic Positioning (DP2) capability to accurately approach and connect to the STL buoy. Working with SeaQuest Marine (GEV’s Marine Engineer Advisor), Yantai CIMC Raffles (GEV’s preferred shipyard) and APL Norway (STL system provider), a general arrangement and equipment list of an STL capable CNG Optimum ship has been completed. The CNG Optimum ship will therefore be equipped with thrusters in the bow and stern along with the DP2 control systems and the required redundancy for DP2 compliance.

The lead time for these modifications is not expected to add to the shipping construction timetable. A ship capital cost estimate specific to this project and design will be reviewed through the next stage of the project and finalised prior to the awarding of a final shipyard contract. Further information will be provided to shareholders as the project progresses to the next stage.

Figure 4: STL equipped CNG Optimum ship with bow and stern thrusters.





APPOINTMENT OF CLARKSONS PLATOU AS FINANCIAL ADVISOR FOR BRAZIL CNG PROJECT

GEV recognises a specialist global financial advisor with a track record in shipping and energy is required to assist with a material project financing for the Brazil CNG project. In late-2019, a review process of Investment Banks who specialise in shipping and energy infrastructure projects was undertaken, with GEV appointing Clarksons Platou (Clarksons) in February 2020 as its exclusive advisor and lead arranger of debt and equity for this project.

Separate to the Financial Advisor appointment, Clarksons are also appointed as GEV's Ship Broker and advised GEV on the shipyard Letter of Intent with CIMC Raffles. The appointment of Clarksons in both roles will assist the financing process as the institutions take confidence in the due diligence and advisory work by Clarksons on shipyard process. Clarksons are also one of the largest S&P brokers and financiers to many of the major oil and gas companies globally.

The appointment as financial advisor includes Clarksons Platou Structured Asset Finance Limited to review debt, leasing and export credit agency structures, and Clarksons Platou Securities AS to review equity and possible hybrid structures. The Clarksons group have an extensive global reach for all debt, leasing, equity and hybrid funding solutions. Clarksons are a globally recognised for their financing capability having raised over USD 38.9 billion in debt and equity transactions for the energy and maritime industries during 2010-2019.

Given the unique nature of the Company's CNG Optimum "floating pipeline" shipping solution that requires a material capital requirement, Clarksons have developed a strategy to de-risk the financing of the project by targeting five groups of institutions for investment in both debt and equity:

- Traditional Banks
- Export Credit Agency Banks
- Leasing Companies
- Pension and Insurance Funds
- Equity and Hybrid Funds

During the quarter, initial meetings were undertaken with a select group of institutional investors across the 5 groups above to outline GEV's CNG business model and the scope of a potential CNG shipping project under long-term charter agreement to transport associated gas in Brazil. Overall, the feedback has been very encouraging given the early stage of financing. Discussions will continue groups who have requested to complete technical due diligence in advance of a commercial term sheet being available as the project advances.

US OFFSHORE GULF OF MEXICO CNG EXPORT PROJECT

GEV's management team, having completed its initial due diligence on numerous offshore locations for its proposed CNG export facility in the Gulf of Mexico, USA, is now working with several parties in regard to agreeing to the timing, volume and pricing for firm transportation, along exiting pipelines, to GEV's preferred and alternate CNG export facility locations.

GEV anticipates that these key terms will be agreed to under a Key Terms Agreement and expected to be executed in the June Quarter 2020, which then would lead to the execution of a fully termed Precedent Agreement, scheduled for the September Quarter 2020. GEV will need to follow the required process to secure firm transportation services under the Federal Energy Regulation Commission (FERC) system in the US.

The continued impact of COVID-19 on work practices in the US, may impact on the above target completion dates. As mentioned previously, the challenging oil price environment is creating additional impacts - in short, these impacts have resulted in a delay to decisions being made by counterparties in order for GEV to move forward.

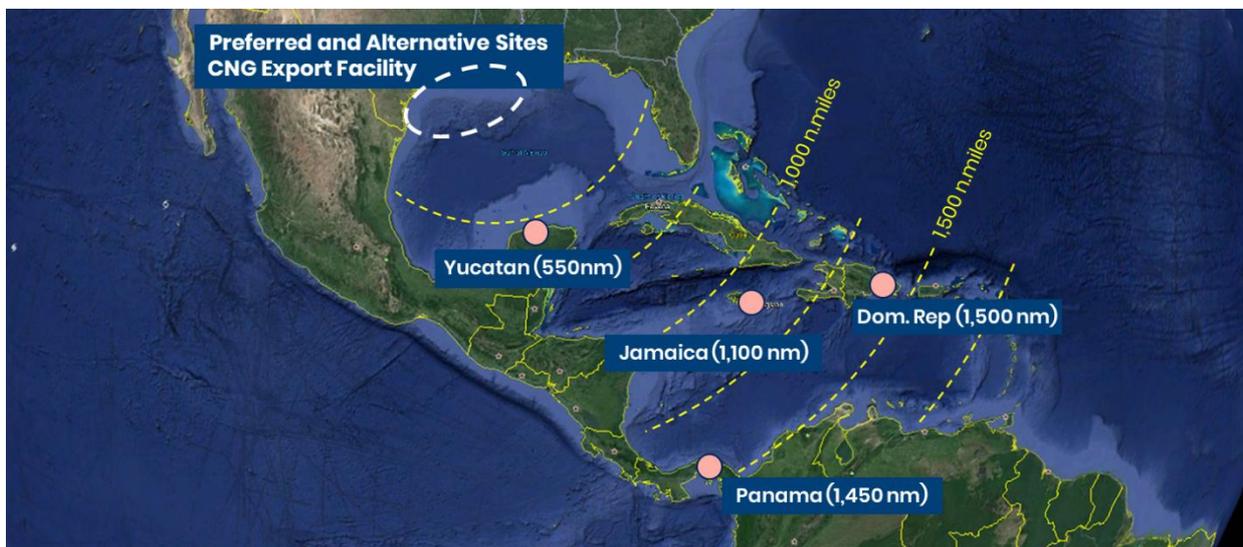


However, the key factors for GEV’s continuing to pursue this opportunity remains, being:

- Abundance of low-cost, reliable gas supply to support an offshore CNG export facility from the US Gulf of Mexico
- Targeting an offshore export terminal as a CNG project to transport US gas to regional markets that include Mexico, Central America, and the Caribbean.
- Selection of offshore site(s) with access to existing under-utilised pipelines removes considerable capital, permitting and development timeline
- Scalable export capacity of 100 – 400 MMscf/d (up to 3 Mtpa LNG equivalent)
- CNG export project can have 40-50% lower on-water costs than LNG.

GEV’s focus for gas sales remains the Yucatan region in Mexico, and the Company will provide an update as soon as any material project events are achieved.

Figure 3: Preferred and Alternate CNG Offshore Export Terminal locations and target markets with a 1,500nm sailing distance.



CORPORATE

Cash as at 31 March 2020 was \$3.34 million (\$4.35 million 31 December 2019). Refer to the separately announced Appendix 4C for further details. Expenditure during the quarter was in line with guidance with total operational cash outflows of \$976,000.

The Company is forecasting up to a 25% reduction in operating cash outflows in the June 2020 quarter, with project development and related international travel costs to reduce given the travel bans in place, along with costs related to the Brazil CNG Commercialisation Plan finalised.

The Board has recognised the impacts of COVID-19 and the turbulent energy market sector could have an impact on the Company’s CNG development timelines in 2020. As a result, the implementation of several cost reduction initiatives will be implemented in the June quarter, providing another reduction in the September and December quarter cash outflows.

While 2020 is expected to be a challenging year ahead, the objective of extending the Company’s cash position into 2021 will still ensure Company has the capacity to move forward with priority project development activities in 2020. This will not see the team sit idle and wait for an improvement in conditions. This is highlighted by the June quarter



expecting to see an update on both Brazil and US CNG projects.

Cost reduction initiatives will include:

- 25% reduction in the remuneration costs of the Board and Executive team.
- Temporary hold on all international and domestic travel until government regulations permit.
- Timing of US project costs to be delayed into the September and December quarters.
- 40% reduction in general administration costs.
- Deferral on any proposed staff or consultant appointments.
- Appointment of project advisors on a success only basis.

GEV has adopted a comprehensive set of work practices to ensure the safety of all staff from COVID-19. The Project Development team and Executive Management are accustomed to working remotely in our regular business environment, so apart from disruptions with third parties, the team is confident progress on our CNG projects can be made in the coming quarters.

The December 2019 Half-Year Report was completed and lodged with the ASX on 26 February 2020. A Copy of the report is available on the Company website www.gev.com/reports

APPENDIX 4C

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

- END -

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

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.

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.