



State Gas Limited
ACN 617 322 488
GPO Box 525
BRISBANE QLD 4001

Belinda Chiu
Senior Adviser, Listings Compliance
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

9 October 2017

Dear Belinda

As set out in the prospectus of State Gas Limited (**State Gas**), certain existing shareholders of State Gas have entered into mandatory restriction agreements with State Gas to comply with the ASX Listing Rules.

The total number of restricted shares held by existing shareholders is 105,512,501. State Gas confirms that the following shares are subject to escrow for the following periods:

| Number of shares | Escrow period |
|------------------|---|
| 24,650,001 | 12 months commencing from the date of issue, being 21 June 2017 |
| 3,850,000 | 12 months commencing from the date of issue, being 1 September 2017 |
| 77,012,500 | 24 months commencing from the date of quotation |

State Gas also confirms that the 2,000,000 options issued to Ian Paton will be subject to escrow for 24 months from the date of quotation.

Kind regards

A handwritten signature in black ink, appearing to read "S. Yeates".

Suzanne Yeates
Company Secretary
State Gas Limited