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ASX RELEASE

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PRIMERO WEST-1 LOGGING AND TESTING

State Gas Limited (ASX: GAS) advises that logging and testing activities of the Primero West-1 well at the Reid's Dome Gas Project (PL 231) have been successfully completed.

The Primero West-1 well was located and designed to test the Cattle Creek Formation within PL 231 and is being 100%-funded by State Gas Limited in accordance with the requirements of the Joint Operating Agreement.

The "Primero" gas sand was identified in the Cattle Creek Formation in Primero West-1 from 131.5 metres depth, with quick-look petrophysical analysis indicating a net gas-bearing zone of 7.5 metres apparent in wireline logging undertaken by Weatherford.

Firetail conducted flow testing and sampling, with two gas samples obtained for gas composition analysis. Firetail measured a maximum gas flow rate of 0.436 mmscf/d through a 48/64" choke, in line with expectations.

Primero West-1 is located approximately 650m west-southwest of AOE-1 and tested the south-western extent of the Cattle Creek gas sand discovered in AOE-1 in 1955. The well was drilled to its planned total depth of 250 metres to achieve this objective and meet State Gas Limited's obligations under the Joint Operating Agreement.

As previously advised, the Primero West-1 well is being plugged and abandoned on the basis that any full-field development of the Cattle Creek Formation within PL 231 will require additional seismic to optimise the locations of production wells.

The Silver City Drilling Rig-25 is currently being mobilised from Primero West-1 to the Nyanda-4 site approximately 13.5 kilometres to the south within PL 231.

The Nyanda-4 well has a planned depth of 1,000 metres and is a jointly-funded well in accordance with the terms of the Joint Operating Agreement, with only 60% of the costs being met by State Gas Limited.

State Gas Limited is sole Operator and 60%-owner of the Reid's Dome Gas Project.

ENDS

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STATE GAS LIMITED (ASX: GAS) is a Queensland-based developer of the Reid's Dome gas field, originally discovered during drilling in 1955, located in the Bowen Basin in Central Queensland. State Gas is sole Operator and 60%-owner of the Reid's Dome gas project, which is well-located 30 kilometres southwest of Rolleston, approximately 50 kilometres from the Queensland Gas Pipeline.

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